Background & Problem / Created Gap

Problem Statement

1. Too many "Must Haves"?
2. Plan information flows down but to what levels?
3. Performance evaluated & communicated consistently?
4. Employee Engagement suffering without info?

Uncertainty

1. Confusion about priorities.
2. Performance (both employee and organization) < optimal.
3. Visibility of problems lacking which impedes improvement.
4. Operation planning done w/o benefit of gemba knowledge.
Deployment of Strategy to Enhance Employee Engagement

**Background**
- Past Decade Experience: 100% growth in revenue, 164% growth in expenses, 86% growth in PTC's.
- Physician interest in strategy.
- Employee burnout down.
- Complexity of Strategic Planning & Deployment: Rapid growth achieved but with inconsistent methods for developing and deploying strategy. Future vision calls for major rate of growth utilizing more efficient, effective methodologies.

**Current Condition**
- Strategic Planning - Process
  - 3-Year Vision (Re-)Established Every Three Years to Ensure Relevance
  - Annual Plan Created & Executed with Monthly Updates to Reflect

- In 20XX, we are at “PUNCH” Five-Year Vision. Let’s get it right! Perfect opportunity to re-evaluate and improve!

**Problem Statement**
1. Too many “Must Haves”
2. Plan and performance info does not flow to all levels
3. Performance not evaluated well & communicated inconsistently
4. Employee Engagement scores show continuous declining trend

**Uncertainty**
- Confusion about priorities
- Performance (both inside and organization) - low visibility of problems lacking impeding ability to improve
- Operation planning done w/o benefit of deeper knowledge

**Goals/Targets**
- Establish hoshin with supporting deployment plan
- Organization’s Key Performance Areas identified & agreed upon
- No more than five “True North” metrics promoting Mission/Vision
- Specific annual goals (+5) for each leader (C-Suite to Dept Mgr level)
- Standard management work to ensure consistent sharing & focus on performance metrics to all stakeholders (ranging, minh mgts, etc.)
- Tracking/reporting system to ensure accountability for standard work monitored by executive management monthly in strategy meetings

**Future Plan**
- Hoshin - In the Community. For the Community.
  - Coordinated timing for long-range (3 to 5 year) planning & annual planning processes (w/ explicit end goal for all inputs).
  - Leadership / Eval process to agree upon (catchball) & communicate goals from C-suite through Dept mgmt providing line-of-sight to key metrics & organizational goals.
  - Standard management work:
    - Tiered management system to focus upon strategies:
      - Daily huddles from front line through C-suite
      - Monthly C-suite/mtg meetings focused on strategies

**Implementation Schedule**
- Three Year
  - Year 1 (2012)
    - Develop concepts for overall strategic planning and deployment structure.
    - Develop and trial leadership goal setting process (catchball) and new monitoring mechanism
    - Trial components of standard leader work in select areas: rounding, mgmt mtgs, daily huddles, visual mgmt.
    - Establish annual plan 2013 - populating and utilizing new monitoring mechanism
  - Year 2 (2013)
    - Fully implement standard leader work throughout organization to support hoshin
    - Finalize standard process (specifying deliverables & timing) for annual and long range planning cycle
    - Measure employee engagement, communicate results, establish management action plan to address gaps
    - Execute all components of 2013 annual planning to meet established timelines
  - Year 3 (2014)
    - Execute strategic planning functions deploying performance improvement deeper into organization
    - Review and revise five-year strategic plan - follow established timelines for annual and long term planning

**Followup/Unresolved Issues**
- Develop communication plan regarding (and the “Why”) of effort to improve planning/deployment process
- Plan for workforce training in problem solving / improved collaboration in performance improvement
- Performance Improvement methodology planned and implemented
Deployment of Strategy to Enhance Employee Engagement

**Background**
- Past Decade Experience: 100% growth in revenue, 164% growth in expenses, 88% growth in FTE's.
- Physician interest in strategy: Employee dedication down.
- Complexity of Strategic Planning & Deployment: Rapid growth achieved but with inconsistent methods for developing and deploying strategy.
- Future visions call for simpler ways of doing things, more efficient, effective methodology.

**Current Condition**
- Strategic Planning - Process

**Problem Statement**
- Too many “Must Haves”
- Plan and performance info does not flow to all levels
- Performance not evaluated well & communicated insufficiently
- Employee Engagement targets without info & involvement

**Goals/Targets**
- Establish baseline with supporting deployment plan
  - Organization’s Key Performance Areas identified & agreed upon
  - No more than five True North metrics promoting Mission/Vision
  - Specific annual goals (+5) for each leader (C-Suite to Dept Mgr level)
  - Standard management work to ensure consistent sharing & focus on performance metrics to all stakeholders (rounding, monthly mts, etc.)
  - Tracking/reporting system to ensure accountability for standard work monitored by executive management monthly in strategy meetings

**Stakeholder Signatures:**

---

**Analysis**
- Engagement
  - 3% Detached
  - 26% Dedicated
  - 26% Distanced
  - 45% Discontented

**Action Plan**
- Execute strategic planning functions deploying performance improvement deeper into organization
- Review and revise planning process / standard leader work / performance improvement methodology

**Followup / Unresolved Issues**
- Develop communication plan regarding (and the “Why”) of effort to improve planning/deployment process
- Plan for workforce training in problem solving / improved collaboration in performance improvement
- Performance Improvement methodology planned and implemented
1. **Systems and Leadership:** job security, input on decision making, information, pay
2. **Resources:** physical environment, equipment
3. **Teamwork:** respect, coordination
4. **Direct Management:** feedback, coaching, trust, communication, recognition

---

**Employee Partnership™**
Mean = 70.0
Percentile = 29th

**Employee Satisfaction**
“what do I get?”
Mean = 66.3
Percentile = 28th

**Employee Engagement**
“what do I give?”
Mean = 75.0
Percentile = 29th

---

5. **Engagement**
- My Work
- Our Work
- Our Organization
<table>
<thead>
<tr>
<th></th>
<th>Satisfaction</th>
<th>Engagement</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DETACHED</strong></td>
<td>HIGH</td>
<td>LOW</td>
<td>4%</td>
</tr>
<tr>
<td><strong>DEDICATED</strong></td>
<td>HIGH</td>
<td>HIGH</td>
<td>49%</td>
</tr>
<tr>
<td><strong>DISTANCED</strong></td>
<td>LOW</td>
<td>LOW</td>
<td>30%</td>
</tr>
<tr>
<td><strong>DISCONTENTED</strong></td>
<td>LOW</td>
<td>HIGH</td>
<td>26%</td>
</tr>
</tbody>
</table>

- **DETACHED**
  - Do only the basics; Not secure
  - Least desired
  - Will either leave or create turmoil

- **DEDICATED**
  - Supported
  - Connected
  - Respected

- **DISTANCED**
  - Emotionally vested
  - Not meeting basic needs

- **DISCONTENTED**
  - Least desired
  - Will either leave or create turmoil

**52nd Percentile**

**29th Percentile**
Title: Improving Workforce Partnership

Team:

Main Team: CEO, COO, CFO, CNO, CMO, Board Chairperson (Sponsor)

Problem: Significant decrease in Workforce Partnership in National Ranking from 2008 to 2011 (52nd percentile to 29th percentile)

Overall Partnership Scores

This is your Overall Partnership Score, a combination of employees' Overall Satisfaction and Overall Engagement. It is the highest-level "picture" of your workforce, including overall mean score as well as comparative data.

<table>
<thead>
<tr>
<th>Period</th>
<th>n</th>
<th>Mean Score</th>
<th>% Favorable</th>
<th>National Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2011</td>
<td>554</td>
<td>70.0</td>
<td>▲ 81.1</td>
<td>29th</td>
</tr>
<tr>
<td>November 2008</td>
<td>437</td>
<td>69.4</td>
<td>▼ 70.8</td>
<td>52nd</td>
</tr>
</tbody>
</table>

Goal/Target

Exceed national percentile ranking of 50th percentile in Workforce Partnership in 2011.

Initial State 2011

Workforce Partnership is a function of Employee Satisfaction and Employee Engagement

2011 Overall Satisfaction Scores

This is your Overall Satisfaction Score. This score summarizes responses to questions that drive employee satisfaction into baseline needs.

<table>
<thead>
<tr>
<th>Period</th>
<th>n</th>
<th>Mean Score</th>
<th>% Favorable</th>
<th>National Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2011</td>
<td>554</td>
<td>68.2</td>
<td>▼ 76.0</td>
<td>26th</td>
</tr>
<tr>
<td>November 2008</td>
<td>437</td>
<td>67.1</td>
<td>▼ 72.6</td>
<td>24th</td>
</tr>
</tbody>
</table>

2011 Overall Engagement Scores

This is your Overall Engagement Score. This score summarizes responses to questions that drive employee engagement that they give back.

<table>
<thead>
<tr>
<th>Period</th>
<th>n</th>
<th>Mean Score</th>
<th>% Favorable</th>
<th>National Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2011</td>
<td>554</td>
<td>75.0</td>
<td>▲ 87.6</td>
<td>49th</td>
</tr>
<tr>
<td>November 2008</td>
<td>437</td>
<td>73.9</td>
<td>▼ 87.8</td>
<td>49th</td>
</tr>
</tbody>
</table>

Analysis 2011

**Voice of the Internal Customer*****

- Approach to managing left to individual manager's preference and habit.
- Wide differences in management behavior/interaction with team throughout organization.

Employee Partnership May 2011

<table>
<thead>
<tr>
<th>Engagement Level</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached</td>
<td>26%</td>
</tr>
<tr>
<td>Dedicated</td>
<td>45%</td>
</tr>
<tr>
<td>Distanced</td>
<td>26%</td>
</tr>
<tr>
<td>Discontented</td>
<td>26%</td>
</tr>
</tbody>
</table>

2011 opportunities rank based on importance to employee + low result.
Top 10 opportunities explicitly reflect "Direct Manager" issues of communication, coaching, & trust

Stakeholder Signatures:

Countermeasures / Future Plan

- Develop and implement standard work for management:
  - Formalize system of manager rounding on staff
  - Standard Monthly Meeting process for managers and Executives
  - Standard Monthly Meeting process for Executives/CEO/Board
- Tiered management system to improve communication & coaching:
  - Daily huddles from front line through C-suite
- Initiate High/Middle/Low performer feedback conversations w/ mgmt
  - Manager with Executive, Executive with CEO, CEO with Board

Implementation Three-Year

Year 1 (2012)

- Educate mgmt team on concept of standard work; Develop and refine components with mgmt team involvement
- Develop and trial leadership goal setting process (catalyst) and new leadership monitoring mechanism
- Trial components of standard leader work in select areas; rounding, mgmt mts., daily huddles, visual mgmt

Year 2 (2013)

- Fully implement standard leader rounding throughout organization by April 1st
- Day shift huddles by Dec 31
- Implement standard monthly meeting for managers and Executives by March 1st
- Educate mgmt team on coaching concepts and techniques; Develop and refine with mgmt team involvement
- Utilize leadership monitoring mechanism throughout entire leadership team
- Assess integration w/ compensation
- Re-measure Workforce Partnership, communicate results, establish action plan to address gaps by June 1

Year 3 (2014)

- Stabilize, improve, and sustain standard management work by developing formal leadership training program
- Assess leadership performance evaluation programs to ensure continued support of leader standard work
- Review and review management processes/standard leader work/evaluation processes

Current State 2012

- Satisfaction: Improved 3.6% to 50th percentile
- Engagement: Improved 2.3% to 46th percentile
- Partnership: Improved 3.1% to 49th percentile

Employee Partnership May 2012

<table>
<thead>
<tr>
<th>Engagement Level</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached</td>
<td>3%</td>
</tr>
<tr>
<td>Dedicated</td>
<td>55%</td>
</tr>
<tr>
<td>Distanced</td>
<td>22%</td>
</tr>
<tr>
<td>Discontented</td>
<td>20%</td>
</tr>
</tbody>
</table>

Analysis 2012

- Partnership improvement of 3.1% is close to targeted pace to achieve 10% goal over three-year period.
- Greatest opportunities remain "Direct Manager" issues. Continued focus on mgmt education required.
- Top two opportunities remain managers' handling of grievance/problems and provision of coaching.
- Additional drill down needed to analyze "weak" performing departments/managers & provide mentoring.

Follow-up / Unresolved Issues / Concerns / Lessons

- Focus diverted by financial performance issues. Workforce reduction required to meet financial imperatives.
- In 2013 must re-build performance and employee confidence. Distractions; tempting to deviate from plan.
- Challenge will be to see enhanced management concepts as the means to achieving employee confidence; not just additional work for managers and leadership team.
2011 Survey Results

OPPORTUNITIES
The Opportunity Index lists the items on the survey that have the greatest opportunity for improvement. Those items appearing in your Opportunity Index are questions that have a relatively low mean score, and a relatively high correlation to Overall Partnership.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Last Rank</th>
<th>Section</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4</td>
<td>Custom Section</td>
<td>I am satisfied with the manner in which my direct manager handles complaints, grievances, and problems.</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>Direct Management</td>
<td>My direct manager provides coaching to help me achieve my goals.</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
<td>Systems and Leadership</td>
<td>I have opportunities to influence policies and decisions that affect my work.</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Direct Management</td>
<td>My direct manager communicates effectively.</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>Systems and Leadership</td>
<td>My work group is asked for opinions before decisions are made.</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Direct Management</td>
<td>My direct manager recognizes my ideas or suggestions for improvement.</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Direct Management</td>
<td>It is easy to talk to my direct manager about things that go wrong on my job.</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Direct Management</td>
<td>My direct manager is trusted.</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Systems and Leadership</td>
<td>Excellent performance is recognized here.</td>
</tr>
<tr>
<td>10</td>
<td>8</td>
<td>Direct Management</td>
<td>My last performance review helped me improve.</td>
</tr>
</tbody>
</table>

EMPLOYEE PARTNERSHIP SURVEY

Please rate the Executive Team at your organization. The Executive Team members are Alice White, Bruce Delnor, Mike Anderson, and Judy Schwartz. Please circle the number that best represents your feelings.

SYSTEMS AND LEADERSHIP

1. Leadership does a good job of communicating major developments (Circle: 0 2 4 6 8)
2. Leadership values input from employees (Circle: 0 2 4 6 8)
3. Leadership does a good job of planning for the future (Circle: 0 2 4 6 8)
4. As long as I perform well, the organization will try to find a place for me (Circle: 0 2 4 6 8)
5. My work group is about to expand, and decision are made (Circle: 0 2 4 6 8)
6. I have opportunities to influence policies and decisions that affect my work (Circle: 0 2 4 6 8)
7. Executive Team is trusted with important decisions (Circle: 0 2 4 6 8)
8. Compared to other healthcare organizations, my pay is fair (Circle: 0 2 4 6 8)
9. The Executive Team is considered to be straight forward and honest (Circle: 0 2 4 6 8)

RESOURCES

1. There is a strong sense of belonging in my work group (Circle: 0 2 4 6 8)
2. The organization is able to do my job well (Circle: 0 2 4 6 8)
3. Physical environmental conditions are good in my work area (Circle: 0 2 4 6 8)
4. I am given opportunities to attend training and orientation to do my job well (Circle: 0 2 4 6 8)

TEAMWORK

1. I feel supported by my coworkers (Circle: 0 2 4 6 8)
2. My coworkers understand the challenges I face (Circle: 0 2 4 6 8)
3. I have opportunities to share ideas and concerns with coworkers (Circle: 0 2 4 6 8)
4. I am given opportunities to participate in decision making processes (Circle: 0 2 4 6 8)
2012 Survey Results

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>DETACHED</th>
<th>DEDICATED</th>
<th>DISTANCED</th>
<th>DISCONTENTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>3%</td>
<td>55%</td>
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Overall Partnership Scores

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<th>n</th>
<th>Mean Score</th>
<th>% Favorable</th>
<th>National Rank</th>
<th>Peer Group Rank</th>
<th>Peer Group Rank</th>
<th>Peer Group Rank</th>
<th>National Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2012</td>
<td>567</td>
<td>73.1 **</td>
<td>83.6%</td>
<td>49th ▲</td>
<td>51st</td>
<td>49th</td>
<td>79.4</td>
<td></td>
</tr>
<tr>
<td>May 2011</td>
<td>544</td>
<td>70.0 ▲</td>
<td>81.1%</td>
<td>29th ▼</td>
<td>32nd</td>
<td>30th</td>
<td>79.0</td>
<td></td>
</tr>
<tr>
<td>November 2008</td>
<td>437</td>
<td>69.4</td>
<td>80.5%</td>
<td>52nd</td>
<td>51st</td>
<td>47th</td>
<td>76.3</td>
<td></td>
</tr>
</tbody>
</table>
**Future Considerations:**

Continue with strategy development and deployment