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In attendance: Judy Hogan (Member Services)
Business Consultant (Member Services)
Client (CEO)
Client (HR Manager)

Situation Summary

- Cooperative has history of profits, but is not generating adequate return on investment. New CEO is committed to moving cooperative to higher performance.

- Multi-location operation is the result of many mergers and acquisitions with little done to incorporate each new work group into the larger organization. The result is an organization with multiple sets of policies, procedures, operating practices and independent cultures.

- Previous manager followed a centralized decision-making model, allowing operating units to function without fully coordinating functions. This perpetuated sub-cultures within the organization.

- Division heads/location managers are learning how to manage with "information".

- Most division heads have little experience in strategic planning. Some may not yet understand what is required to fulfill a strategic role.

- **CEO and Human Resources (HR) Manager would like to create organization culture where:**

    - All areas focus on organization performance
    - Company is pro-active in marketplace
    - Employees take responsibility for improving their own performance
    - Communication is open and supportive between employees and operating groups
    - Information and resources are readily shared between work groups

Broad Strategies for Achieving this Cultural Change

Short-Term Strategies and Proposed Actions (1 to 3 months)

- Influence CEO's direct reports to see themselves as strategic leaders and fully accept that:
  - Past actions and results are no longer good enough
  - Excellent performance is the new norm
  - Employee performance is the key to improving organizational performance

  Actions:
  - CEO communication and coaching
  - Sharing of Board directives
  - Benchmarking past performance by division
  - Business Development planning session

- CEO Direct Reports outline key priorities for improving company performance

  Actions:
  - Business Development planning session

- Continue implementation of performance review process

  Actions:
  - Performance review training
  - CEO coaching of each direct report to reinforce importance of process and expectations that process will be completed in professional manner
  - HR manager supports divisional heads by reminding staff of when reviews are due, providing information on past-due reviews and being a resource for managers as they conduct reviews. (HR manager needs to be seen as that resource and not the task master)

Intermediate-Term Strategies and Proposed Actions (3 to 9 months)

- Share priorities as outlined by CEO's direct reports with all employees. Include broad-based company information such as mission and visions as well as top strategic priorities.

  Actions:
  - CEO communication and coaching
  - Payroll newsletter
  - Employee meetings
  - Divisional heads meet with their direct reports to discuss and plan

- Implement key training for broad employee group to signal organizational change, promote information sharing and build "one-team spirit."

  Actions:
  - Identify specific content to be covered based on discussion at Business Development planning session
  - Announce and explain purpose of training program to entire employee group through payroll newsletter
  - Coordinate training attendance through division heads (they are held responsible that every employee attends as well as coordinating who attends when) (HR manager in support role)
  - Schedule multiple sessions so it is convenient for employees to attend
  - Track and report attendance
  - Give employees feedback from session (i.e. what was covered, employee comments, ideas from the session) through payroll newsletter, work site posters, etc.
  - Hold divisional heads accountable for requiring employees to use new skills and knowledge

- Educate CEO's direct reports in key areas where they have skill/knowledge gaps

  Actions:
  - Assess each employee's education and experience related to strategic planning.
  - Review each employee's participation in Business Development planning session
  - Meet with each employee to review above information and discuss needed training
  - Review needs of all CEO direct reposts and determine if group training is desirable
  - Outline actions and timetables to provide training

- Begin divisional business/marketing planning process

  Actions:
  - Outline process and timetable with each division head
  - Identify employees to participate in each portion of process
  - Conduct planning and analysis sessions
  - Create overall plan
  - Hold divisional heads accountable for communicating plan with employee team, implementing strategies, making interim adjustments and obtaining results.

- Identify specific performance goals for each CEO direct report (tied to business/marketing plan)

  Actions:
  - CEO meets with each direct report to create performance goals
  - CEO and employee agree on process for tracking performance against goals
  - CEO requires that employee provide regular updates on performance against goals and reasons for above or below goal performance
  - Compensation reflects performance against goals

- Document all training currently provided to employees

  Actions:
  - Identify all formal training offered over the past two years (what was offered, who should have attended, and who did attend).
  - Identify formal and informal training currently being planned. Include technical, compliance, business and soft-skill training. Note who should attend, deadlines, etc.
  - Use Member Services TCTD program to create training profiles for each position in company

Long-Term Strategies and Proposed Actions (9 to 36 months)

- Outline performance gaps for each key work group in the company

  Actions:
  - Review performance to business unit goals
  - Observe performance to policies and procedures
  - Review individual performance review ratings and comments
  - Identify whether gaps are the result of skill/knowledge gaps, motivation problems or organization structure/design problems

- Create plan for overcoming performance gaps

  Actions:
  - Identify and plan for training solutions
  - Review compensation and performance management system for needed improvements
  - Review and if possible enhance policies and procedures

- Create performance development plans for each employee

  Actions:
  - Use position training profiles previously created in TCTD
  - Incorporate business unit priorities and each employee's specific development needs to create development plan
  - Include development plans in performance management system

- Hold CEO direct reports accountable for implementation of training plan and performance management system

  Actions:
  - CEO gets buy-in from each direct report throughout training plan creation
  - CEO requires direct reports to regularly report progress on completing training activities
  - CEO direct report's performance is evaluated based upon their ability to achieve divisional goals as well as their fulfillment of employee development plans.
  - HR manager as resource with TCTD function of the program