

# GOOD TO GREAT:

by Wendy Green

## PUTTING THE PEOPLE ON THE BUS

THESE PROVIDERS WRESTLE WITH THE HUMAN PART OF THE *GOOD TO GREAT* EQUATION.

In his best-known work, *Good to Great*, Jim Collins outlines several principles organizations may follow to move themselves from being merely “good” to truly “great.”

This article is the first installment in a series that will examine aging services providers that are working with the *Good to Great* paradigm.

Grounded in solid data, Collins’ *Good to Great* is well-known in the business world because it outlines specific attributes of those organizations—and their people—that allow them to out-perform competitors, for extended periods of time, and at times even beyond their wildest dreams. Collins’ paradigm is one that some providers have found particularly useful in providing the discipline and strategic focus needed to better actualize their missions, all while being called upon to do more with less.

The first core principle of the *Good to Great* framework is “First Who ... Then What.” It lays the foundation for greatness in any organization, and yet, in some respects, this principle presents the most difficulty for mission-driven and faith-based organizations, for whom terminating employees for reasons other than severe incompetence may be viewed as countercultural.

### The Right People in the Right Seats

Collins uses the metaphor of a bus when talking about the people in an organization. In his view, it is very important not only that the “right people” are on the bus, but

that they all be in the right seats. “First Who ... Then What” entails three basic concepts: hiring the right people, removing the wrong people and then focusing on what they will be doing.

The first step involves holding out for the right people, even if doing so creates delays in filling key positions. Patricia O’Roark, chief operating officer for Denver-based Mercy Housing, comments that it takes patience and a willingness to hold out, “... which can be hard to do when you have work piling up and desperately need someone to fill a position.”

Scott McQuinn, president and CEO of Cincinnati-based Life Enriching Communities (LEC) takes it a step further, hiring, in some cases, for fit and overall need rather than for specific positions. Three years ago McQuinn hired a rising star without a specific role in mind, because he just knew she would be a good fit for his team and the organization’s culture.

“It was a gut feeling,” says McQuinn. “She was one of those people who just ‘gets it,’ and I felt she would be a good fit. She understands the need to focus on hospitality, being service-oriented, and how that has to fit into a business model.” LEC appointed its

new hire as director of community relations for a new project, which entailed front-end contact with residents and their families as they planned to transition into the new facility. After fielding some tough questions, McQuinn and his team now relish the great results of this hire—including beating the new project’s “fill-up” projections by a year.

In its pursuit of greatness, LEC also instituted what it calls the “ABC method” to identify the right people for the organization. The executive team categorizes managers as A, B or C players. The A players are the elite employees, the B’s represent solid employees who are good contributors (but who do not go above and beyond the call of duty), and the C’s are those who either need improvement or need to move on.

Along with identifying the right people and putting them in the right seats, Collins also stresses the importance of assigning the best, most promising people to the organization’s biggest opportunities. As part of its leadership development process, Presbyterian Homes & Services (PHS), St. Paul, Minn., recently instituted what it calls “7 and 7.” CEO Dan Lindh, COO Cathy Bergland and

their team are working to identify PHS' seven top-performing people, and assigning them to what they have determined to be the seven best projects. Most important, says Bergland, they're putting systems in place that will allow for an "out" if the assignment turns out to be the wrong fit for the assigned individual.

### Getting the Wrong People Off the Bus

What do you do with the people who aren't the right fit? When it comes time to move people "off the bus," McQuinn encourages employers to be, in Collins' words, "rigorous but not ruthless."

"I have been notorious about waiting too long to move someone out of a position," says McQuinn. But the ABC method helps him and his team focus on the need to make such transitions more quickly, in a dignified and fair way. In some cases, says McQuinn, they are able to match an employee's strengths to a more suitable position. In other cases, they will help with job placement and offer severance packages.

Bob Howell of CRISTA Senior Ministries, Seattle, Wash., describes moving people off the bus as a difficult and painful process. He is currently grappling with the issue as he considers who will best lead CRISTA through repositioning.

"The culture at CRISTA fosters an environment wherein we accommodate people," Howell says. "We have a desire to honor those who have served the organization for a long time, many of whom have devoted their working careers to our ministry. Most have done their jobs well. However, within the context of rapid change in our industry, and our focus on meeting the needs and demands of our customers, some of these dedicated and faithful workers may no longer be able to fit into our future."

PHS now identifies performance gaps earlier, gets on top of such issues faster and

## Join the *Good to Great* Listserv

AAHSA members interested in or already implementing the principles in Jim Collins' book, *Good to Great*, and the companion monograph, *Good to Great and the Social Sectors*, both available from amazon.com, are invited to join our *Good to Great* Insight Exchange listserv. To join, simply send an e-mail to [join-goodtogreat@lyris2k1.aahsa.org](mailto:join-goodtogreat@lyris2k1.aahsa.org).

allows less time for improved performance. Its performance improvement plans have defined outcomes and time frames, but the organization is now following through more quickly to make necessary changes if outcomes and time frames are not met.

What happens when a position expands beyond the abilities of the individual holding that position? Bergland stresses the importance of finding a better option for that person—a smaller or simpler seat—and also respecting the person and honoring his or her past contributions. "The key in this situation," says Bergland, "is the person's willingness to accept what they might see as a demotion. It works for some, but certainly not all."

For Chicago-based Covenant Retirement Communities, this approach has meant a shift: from the established culture in which lifetime employment may have been expected at higher levels, to a culture that is less tolerant of mediocrity and failure, and one in which executives and leaders are willing to act more quickly on corrective action or termination.

"If you find yourself in a situation where an employee is not working out, you need to have direct and open conversations with the person, settle on an appropriate corrective action plan for an agreed amount of time, and, if it doesn't work out, have systems in place to help them transition out of their seat or out of the organization," says Jack Harriff, vice president of employee management and development.

If a termination is handled appropriately, says Harriff, the benefits are huge. It sends a message to the staff that you are being fair, and leaves the employee


with a much better impression of the organization.

In holding people more accountable, both Bergland and Harriff have received criticism that their organizations weren't acting in a Christian manner. Their response revolves around stewardship.

"The Christian thing is to do our best with what we've been given," says Bergland. "Our residents are paying for our services, and we have a responsibility to make sure employees are in the right jobs, performing to the best of their abilities. Stewardship applies to both financial and human resources."

### The Bus and Quality First

Element six of AAHSA Quality First addresses human resource development. The key to offering quality to those being served is to ensure a supportive, person-centered environment for those doing the serving—a workforce in which the right individuals are employed, within the right set of responsibilities for each person. "First Who ... Then What" renders critical, foundational approaches for assessing and developing a workforce in a manner that promotes the effective use of human talent to accomplish organizational goals, while creating a culture of success among employees.

See our next issue for a look at how these organizations have approached one of the most difficult parts of the *Good to Great* process: "facing brutal facts." 

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