



GALLUP®

# **Sustained Organizational Transformation**

**Framework &  
Key Success Factors**



## **Campaigns**



*Launching an awareness campaign that creates a momentary peak of excitement.*

## **Rewards**



*Tweaking the performance management plan that under-delivers because it lacks strong accountability and consequences.*

## **Acquisition**



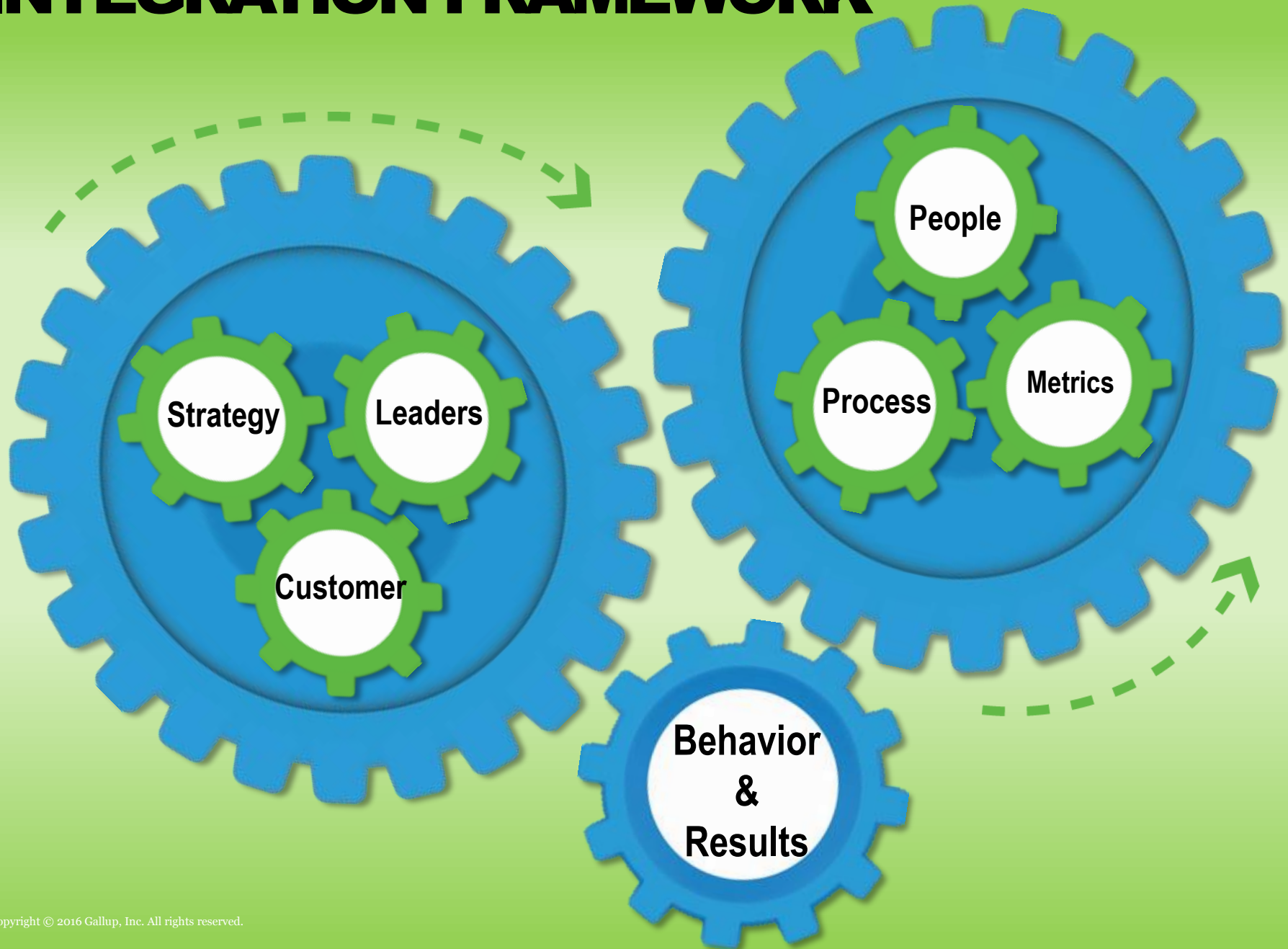
*Acquiring external leadership talent for key positions that get tossed into an ocean of water-treaders.*

## **Participation**

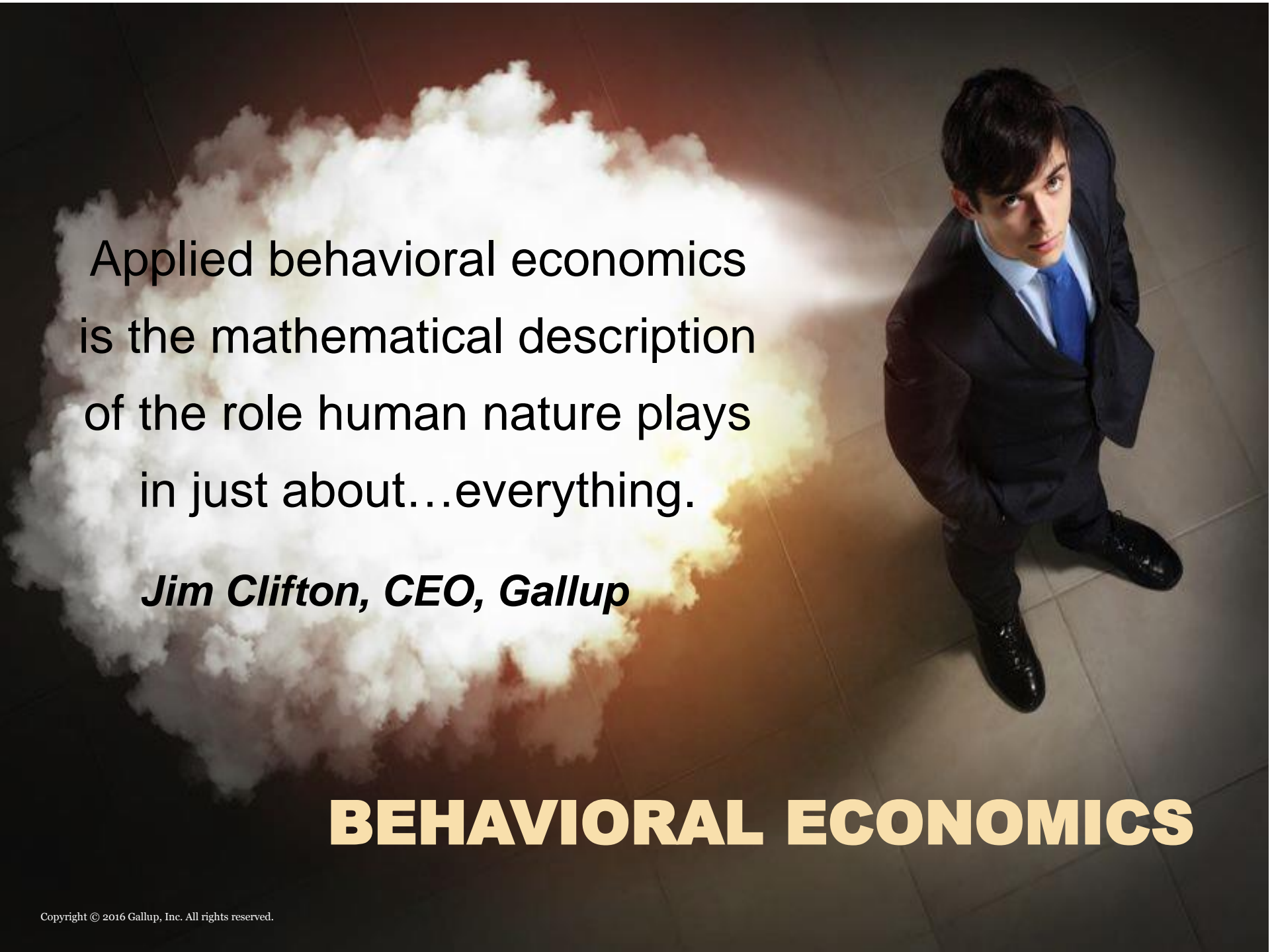


*Training programs that land dead on arrival because emotionally engaged employees are too few and ill-equipped to start a cultural revolution.*

# INTEGRATION FRAMEWORK





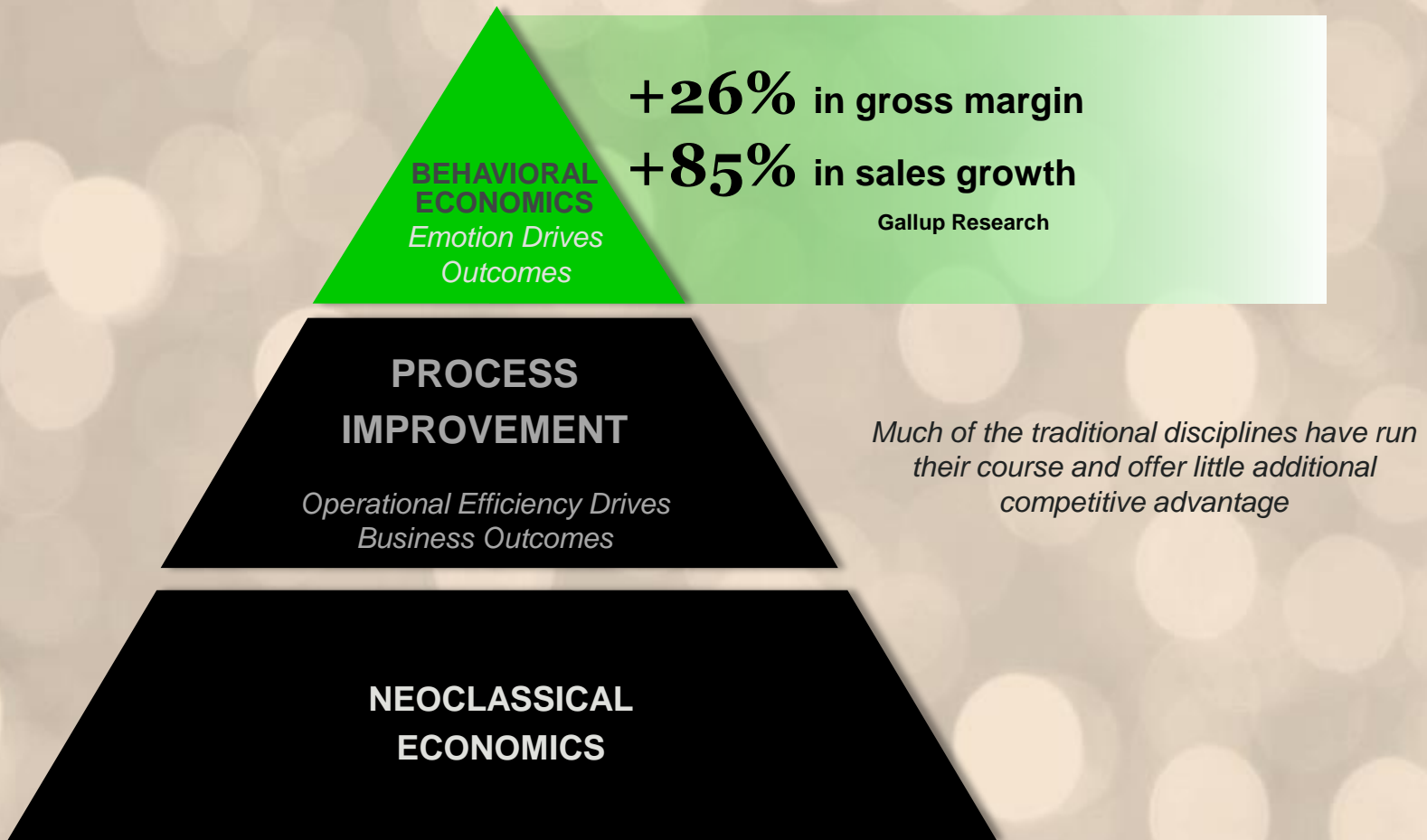
A man in a dark suit, white shirt, and blue tie is looking up at a large, glowing, white and yellow cloud of smoke or fire that is rising from the ground. The background is dark and the floor is made of large, light-colored tiles.

Applied behavioral economics  
is the mathematical description  
of the role human nature plays  
in just about...everything.

***Jim Clifton, CEO, Gallup***

**BEHAVIORAL ECONOMICS**

# BEHAVIORAL ECONOMICS



# BEHAVIORAL ECONOMICS

## NEO-CLASSICAL ECONOMICS

People are “boundlessly” rational;  
*Emotion plays no role*



Rationality has limits and “bounded”;  
*Emotion plays a pivotal role*

People are “boundlessly” selfish;  
*Self-interest is primary*



Self-interest has limits;  
*People do not always act in their own self-interest*

People have “limitless” access to information and unlimited capacity and ability to process it



People have limited access to information and limited capacity and ability to process it

# 30% RATIONAL



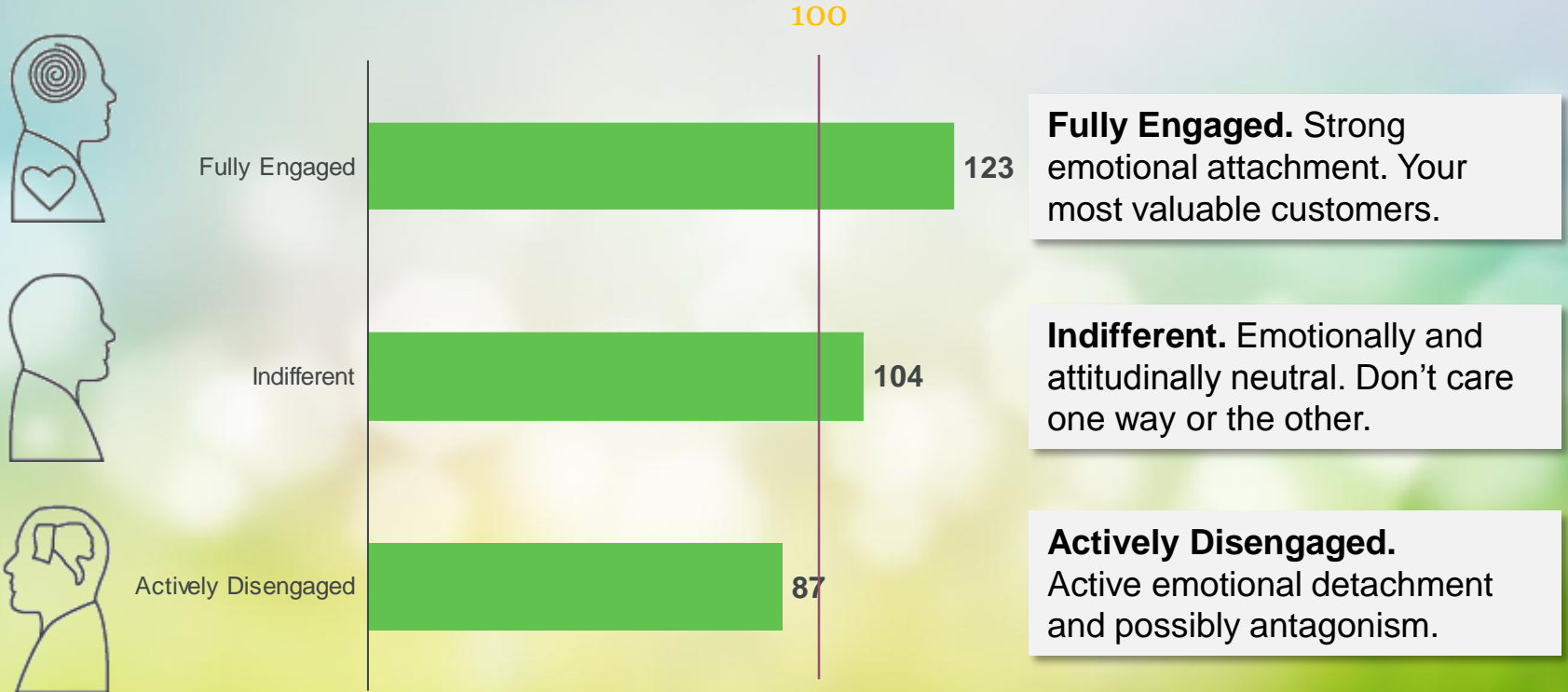
# 70% NON-RATIONALE



# CUSTOMER ENGAGEMENT GROUPS

## *Per-Customer Contribution*

Indexed Performance (Average = 100)



Source: Gallup business impact analysis of 21 different measures of revenue, drawn from 8 companies that represent 5 different industries, conducted in 2002.





# EMPLOYEES

30%  
RATIONAL



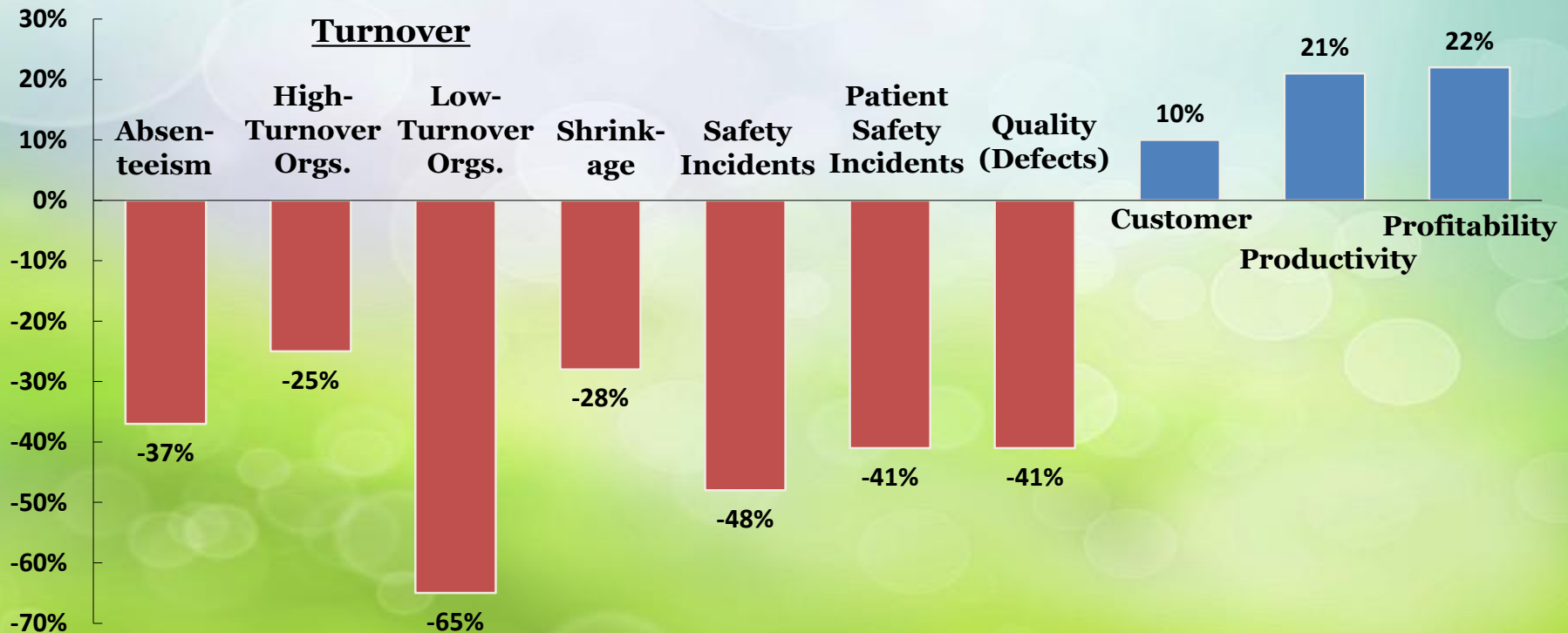
70%  
NON-RATIONALE



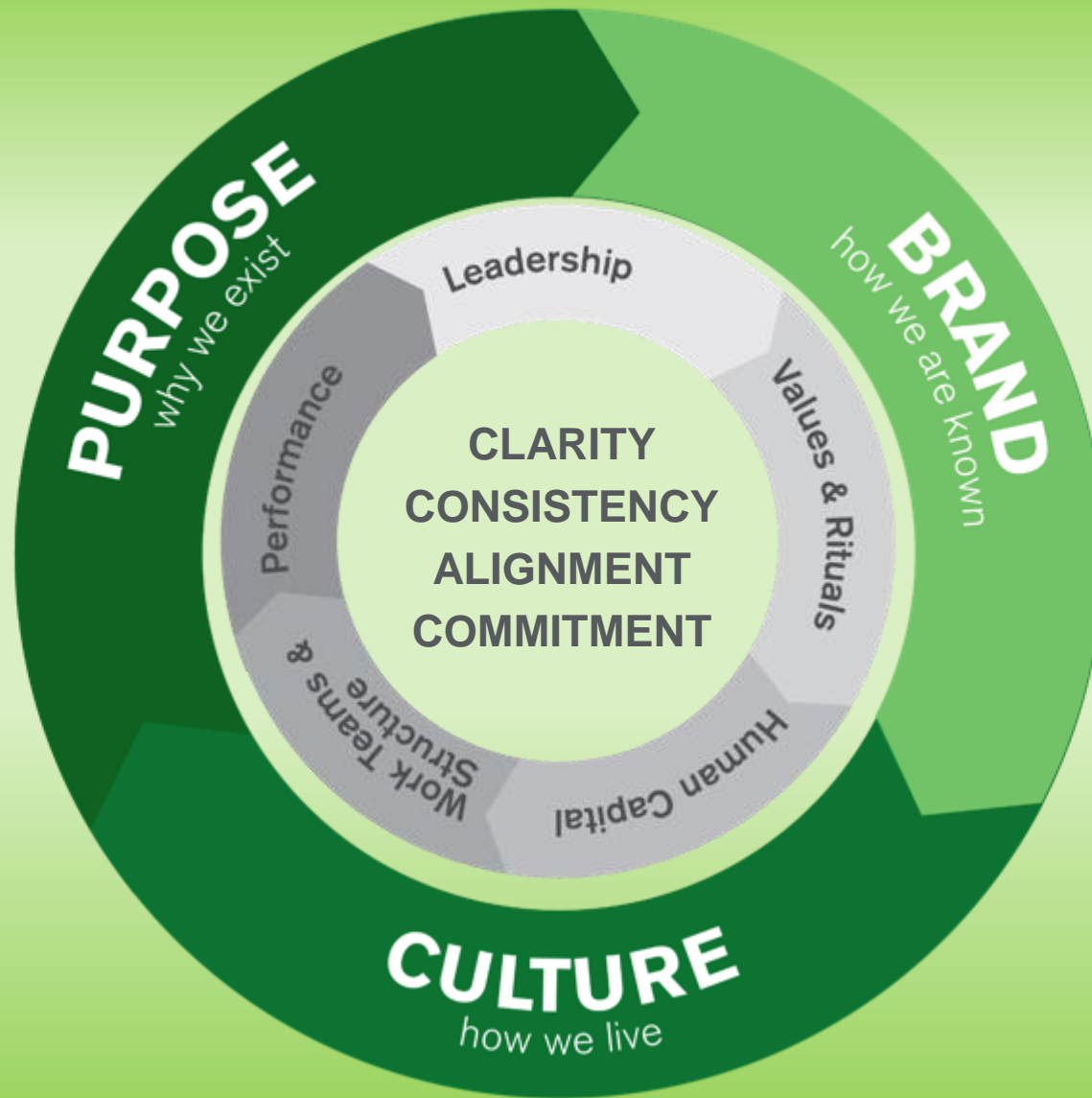
# Proving the value of the Q12®:

## Meta-analysis outcomes

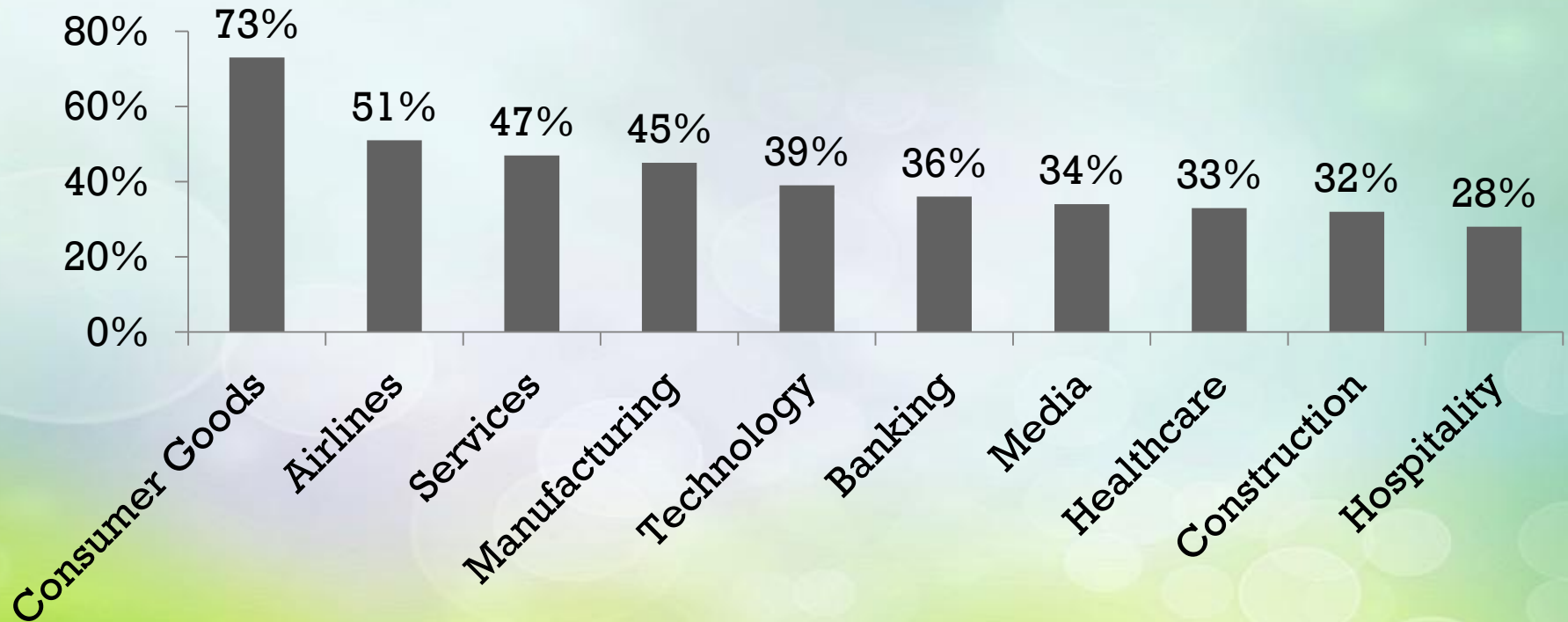
TOP-QUARTILE ENGAGEMENT WORK UNITS HAVE substantially BETTER OUTCOMES THAN their BOTTOM-QUARTILE COUNTERPARTS



# ORGANIZATIONAL IDENTITY



## **% *STRONGLY AGREE***



# **BRAND ALIGNMENT BY INDUSTRY**

“ I know what my company stands for and what makes our brand(s) different from our competitors.”



**70%**

**60%**

**50%**

**40%**

**30%**

**20%**

**10%**

**0%**

***% STRONGLY AGREE***

**60%**

**46%**

**37%**

**EXECUTIVE**

**MANAGER**

**OTHER**

**CURRENT  
STATE**



**“ I know what my company stands for and what makes our brand(s) different from our competitors”**

# CRITERIA

## CONSISTENT

Delivering on the same promise across all touchpoints

## DIFFERENTIATED

Set apart from the competition

## CREDIBLE

A promise your customers believe

## CONNECTING


Directly and emotionally relevant to your customers

## COMPELLING

Filling an important need in the marketplace

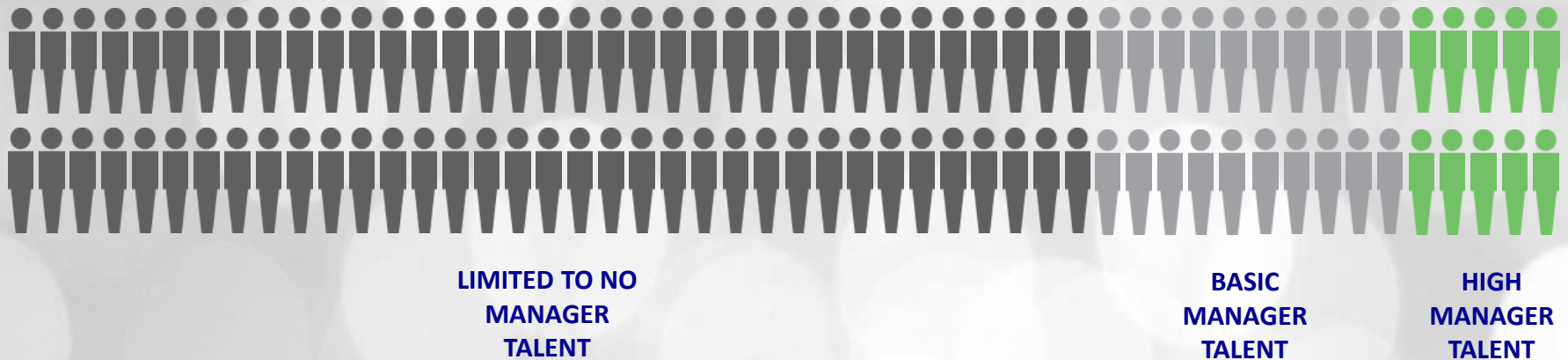


# BRAND PROMISE

|                    | DESCRIPTION  | SIMILAR CONCEPTS   |  |
|--------------------|--|--|---|
| ADVERTISING SLOGAN | A short phrase, intended to be memorable and compelling, that is used in advertising campaigns.  | <ul style="list-style-type: none"><li>• Tagline</li></ul>  | <b>“Let us stay with You”</b>   |
| PURPOSE            | A brief description of a brand’s fundamental purpose. It answers the question, "Why does the brand exist?"   | <ul style="list-style-type: none"><li>• Mission</li></ul>  | <b>“Ladies &amp; Gentlemen, Serving Ladies &amp; Gentlemen.”</b>                    |
| BRAND PROMISE      | A one-sentence summary of the primary qualities that distinguish a brand from its competitors. It tells the world what the brand stands for, what makes its products or services different, and why it’s worthy of being chosen. | <ul style="list-style-type: none"><li>• Brand Essence</li><li>• Brand Position</li><li>• Brand Value Proposition</li></ul> | <b>“...the genuine care and comfort of our guests is our highest mission...”</b>    |

# GREAT MANAGERS

1 in 10 people have “high talent” to effectively manage others.



*“The most important decision you make as a senior leader is whom you name manager”*  
- Jim Clifton, Gallup

Another **2 in 10** have basic manager talent to effectively manage others





# DAY IN THE LIFE OF A MANAGER

## Active Management

- Actively communicating expectations and goals
- Measuring progress and taking action on results
- Resolving problems that impede performance
- Improving systems, processes, and behavior

## Training

- Actively training others
- Must result in a permanent transfer of a skill or ability
- Needs to be proactive and scheduled
- Must be given to appropriate candidate(s)

## Administration

- Most commonly associated with meetings, paperwork, etc.
- Must be effective, i.e., have an agenda that accomplishes a predetermined purpose
- Often confused with active management (you cannot actively manage a computer screen)

## Direct Work

- Doing the work that is usually performed by the employees
- Note: “working” team leaders that have specific technical skills will often be required to have a higher % in this category
- Caution: usually where supervisor is most comfortable; can easily be packaged as added value

## Available to Manage

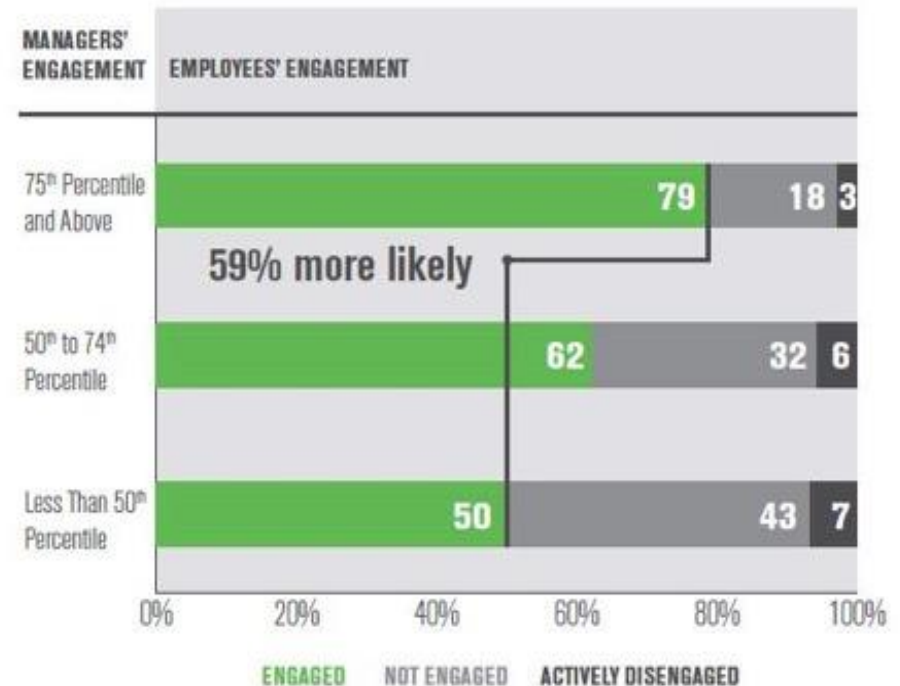
- Reacting to problems
- Fire-fighting
- On the dance floor, but not interacting with others (touring)
- Ineffective situations, i.e., poorly structured meetings

# CASCADE EFFECT

**MANAGERS WHO WORK FOR ENGAGED LEADERS ARE 39% MORE LIKELY TO BE ENGAGED**



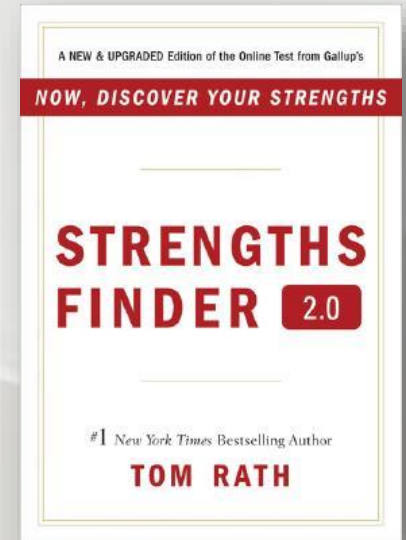
**EMPLOYEES WHO WORK FOR ENGAGED MANAGERS ARE 59% MORE LIKELY TO BE ENGAGED**



# LEVERAGING STRENGTHS

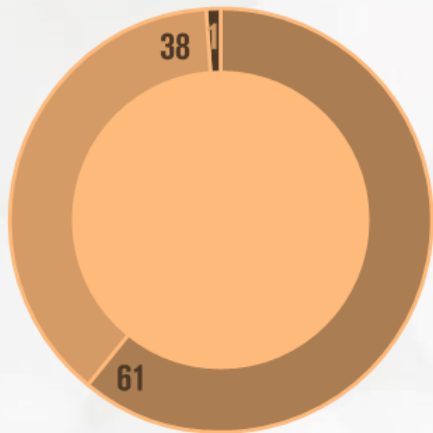
## The 34 Themes of Talent Measured by the Clifton StrengthsFinder:

|               |               |                   |                |
|---------------|---------------|-------------------|----------------|
| Achiever      | Connectedness | Harmony           | Positivity     |
| Activator     | Consistency   | Ideation          | Relator        |
| Adaptability  | Context       | Includer          | Responsibility |
| Analytical    | Deliberative  | Individualization | Restorative    |
| Arranger      | Developer     | Input             | Self-Assurance |
| Belief        | Discipline    | Intellection      | Significance   |
| Command       | Empathy       | Learner           | Strategic      |
| Communication | Focus         | Maximizer         | Woo            |
| Competition   | Futuristic    |                   |                |

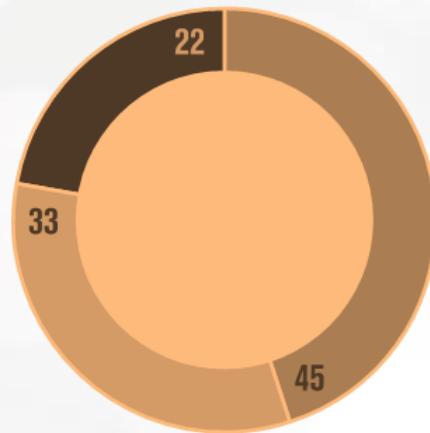


# FOCUS ON STRENGTHS

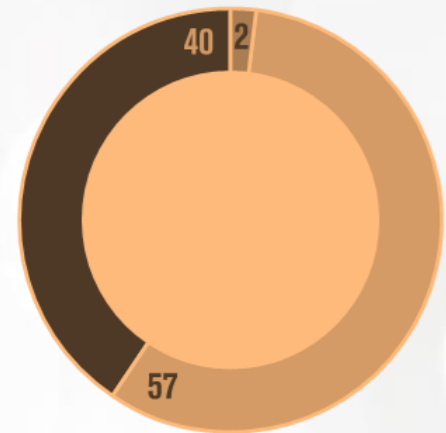
Engagement **INCREASES** WHEN MANAGERS FOCUS ON  
EMPLOYEES' STRENGTHS



MY SUPERVISOR FOCUSES ON  
MY STRENGTHS OR  
POSITIVE CHARACTERISTICS



MY SUPERVISOR FOCUSES ON  
MY WEAKNESSES OR  
NEGATIVE CHARACTERISTICS



IGNORED

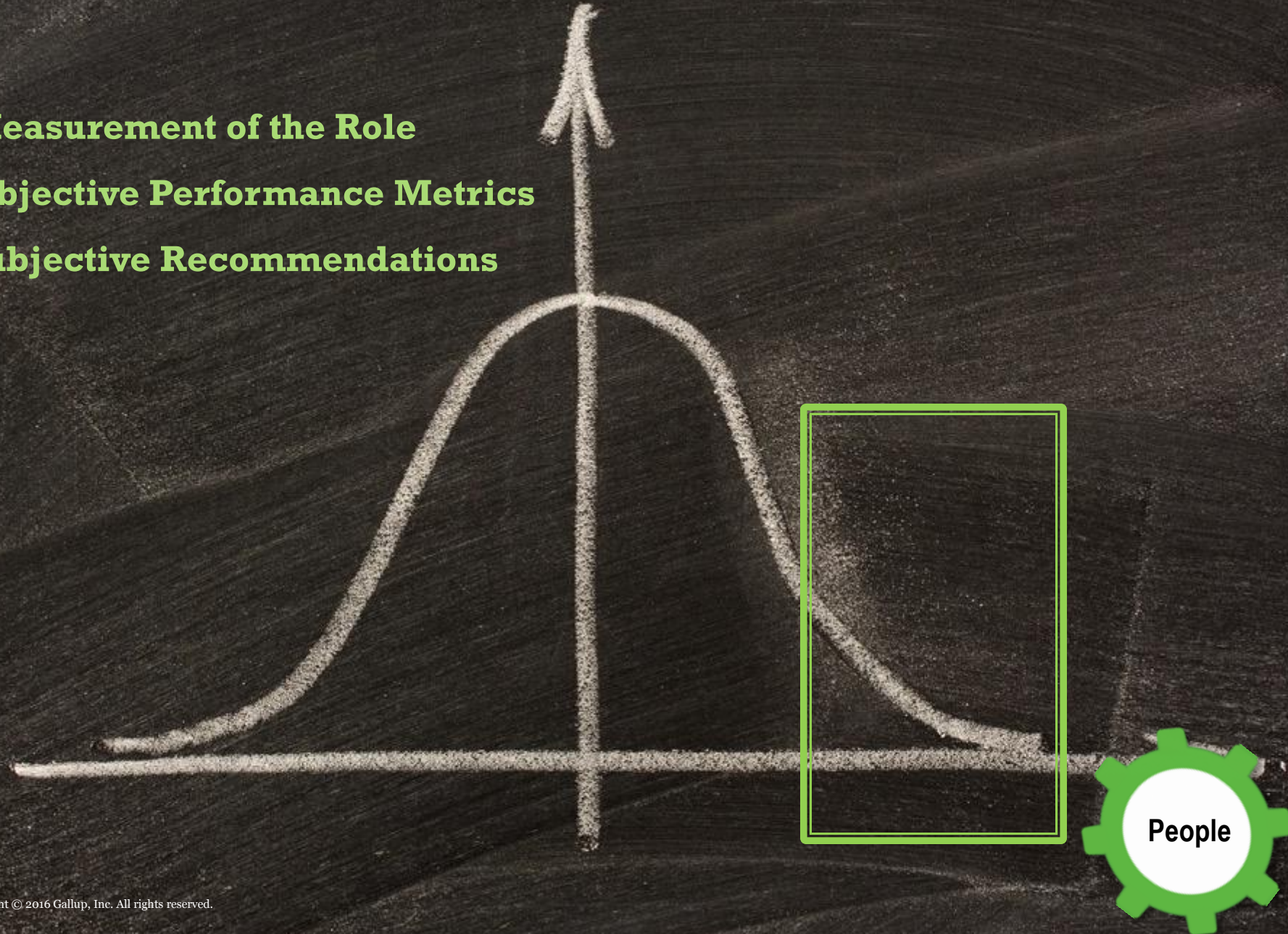
%**ACTIVELY DISENGAGED**    %**NOT ENGAGED**    %**ENGAGED**





# SYSTEMATICALLY IDENTIFY THE BEST

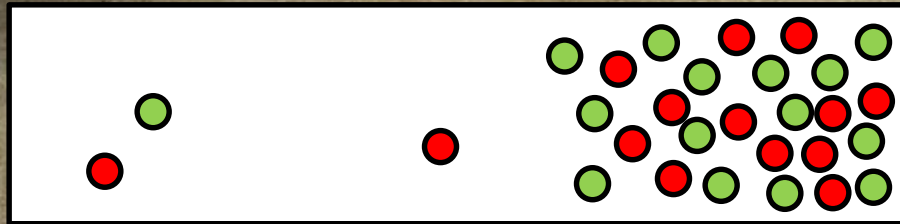
- **Measurement of the Role**
- **Objective Performance Metrics**
- **Subjective Recommendations**





# YOUR TALENT FILTER

## Poor Question

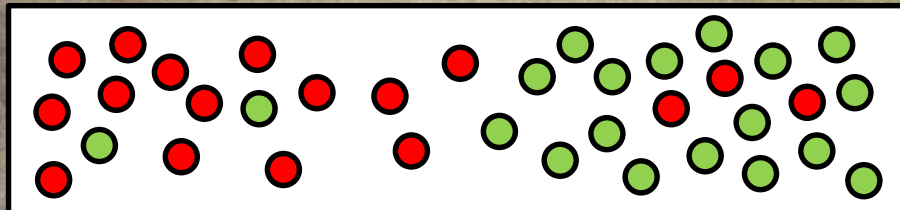


Low rating

High rating

**Are you competitive?**  
**“I am competitive.”**

## Great Question



Low rating

High rating

**Are you a good loser?**  
**“Absolutely not.”**

- *Study Group = High Performers*
- *Contrast Group = Low Performers*



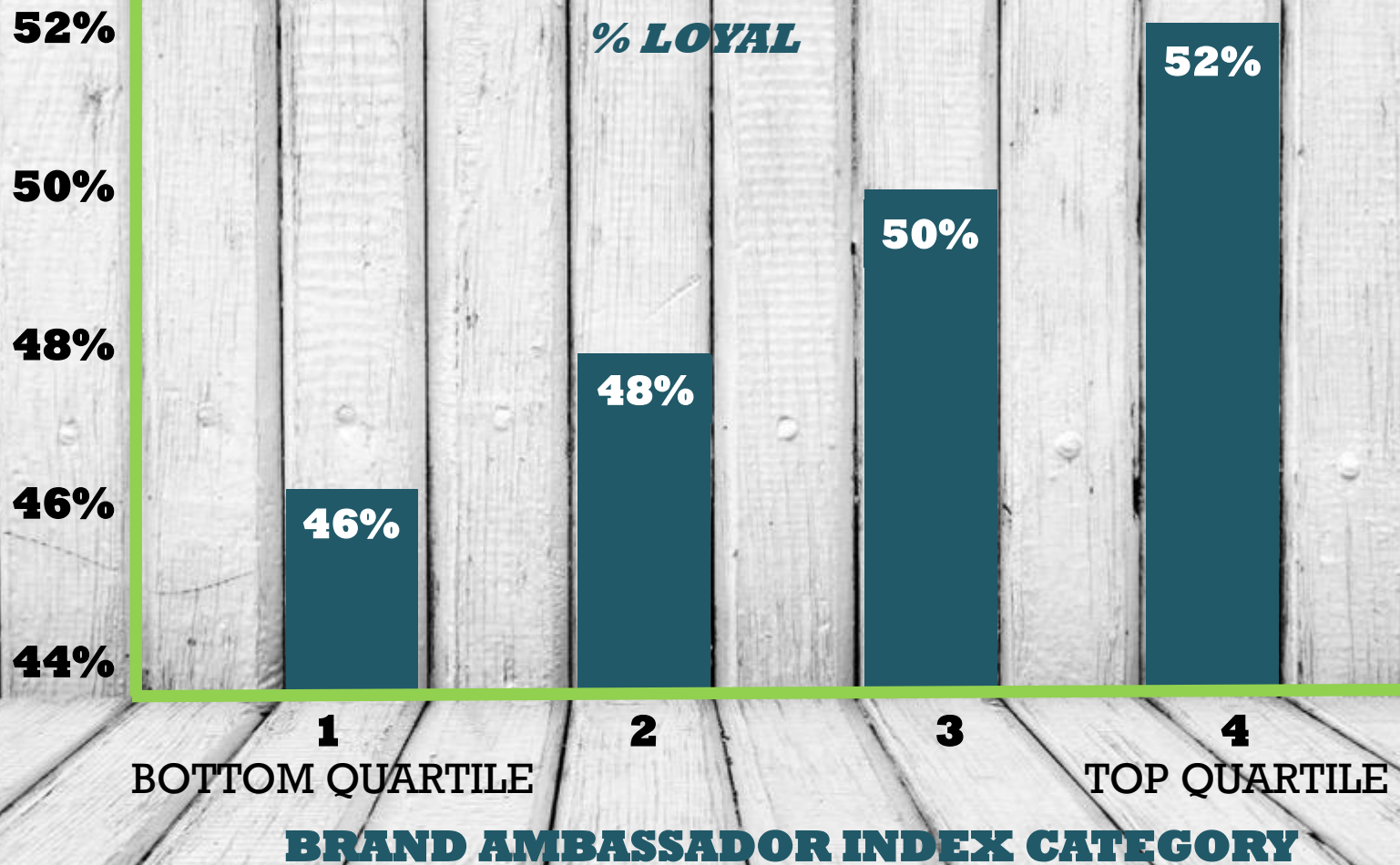
# BRAND AMBASSADOR

Gallup's Brand Ambassador Index combines three questions to help identify team members who are strong advocates:

- I know what this company stands for, and what makes our brand different from our competitors.
- I'm extremely proud of the quality of our products/services.
- I encourage family members and friends to purchase/use our products/services.





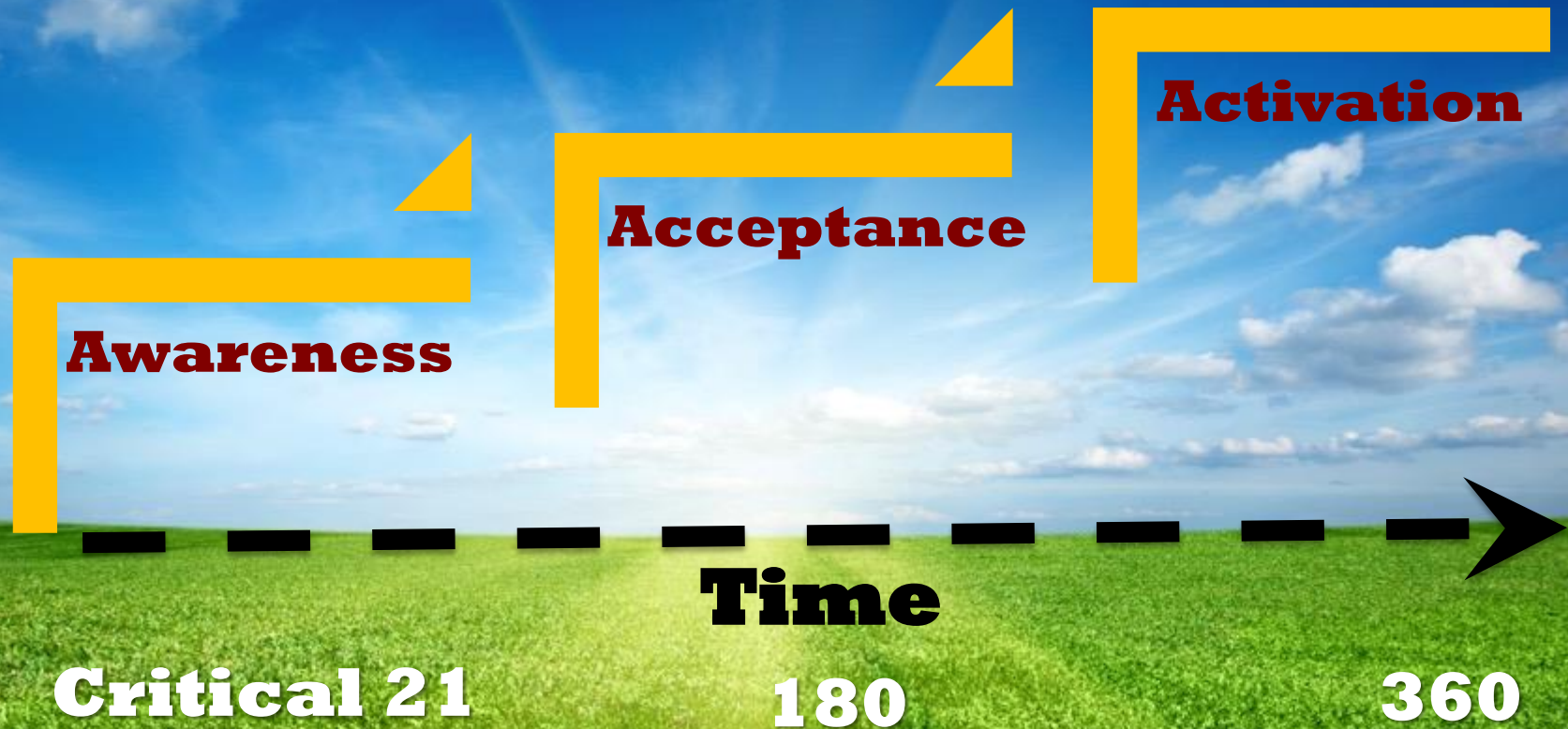


# **BRAND AMBASSADORS DRIVE LOYALTY**





# PROGRESSION OF TRANSFORMATION



# TRANSFORMATION BARRIERS

## **BELIEF**

Leadership has made quality a priority through actions as well as words.

## **CREDIBILITY**

The quality measurements are simple, accurate, and accepted as valid.

## **ACTIONABILITY**

Managers and associates have the tools to move the numbers and positively impact quality.

## **ACCOUNTABILITY**

There is a clear understanding of responsibilities and consequences across the enterprise.

## **SYSTEMIC ISSUES**

Steps have been taken to minimize broader organizational barriers across the enterprise.

## **HUMAN CAPITAL**

A fundamental understanding exists that behaviors must change for performance to improve.



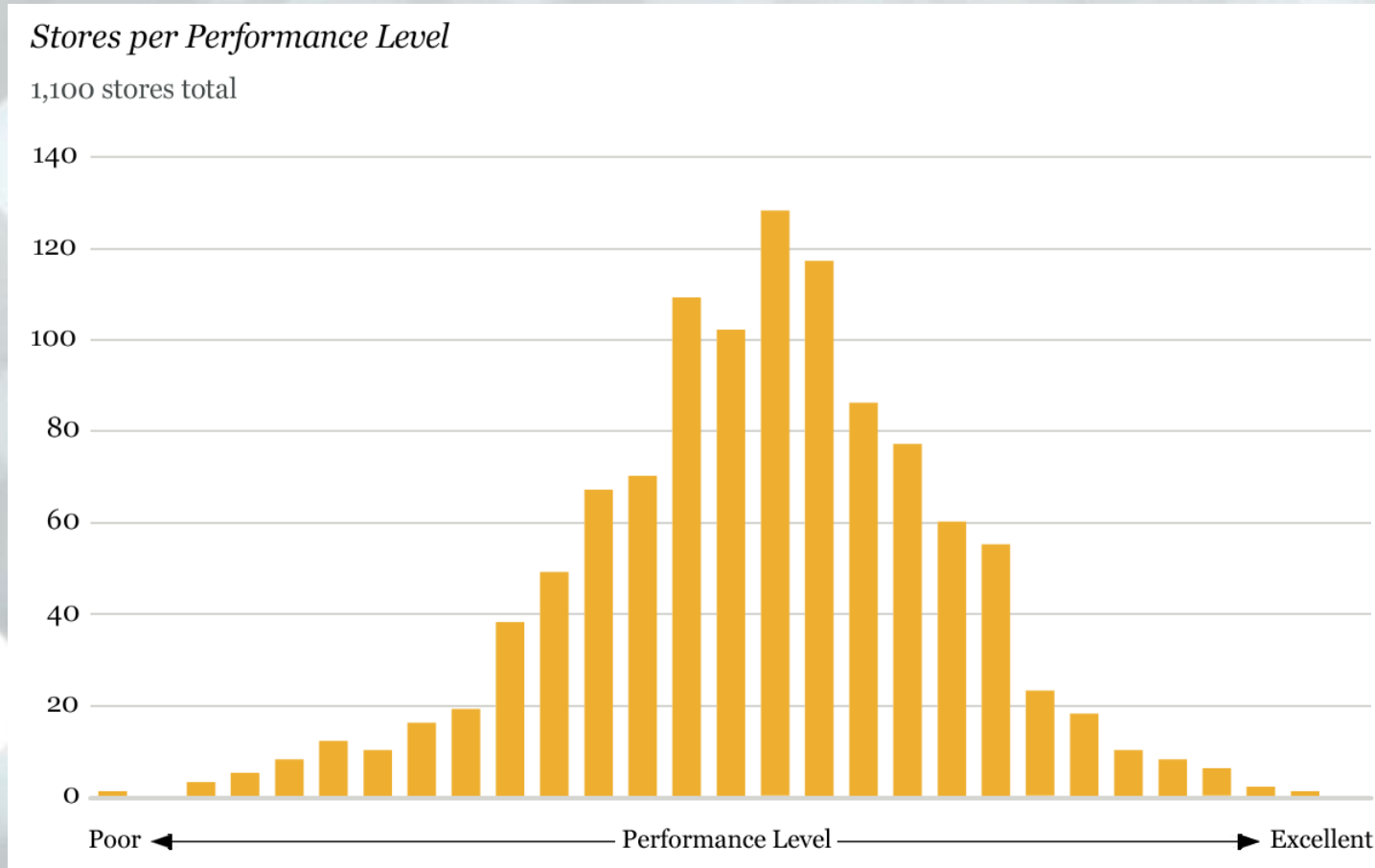
# **Function creates** *structure and* *culture.*

- **Brand Indoctrination**
- **Coaching Process**
- **Tribal Stories**

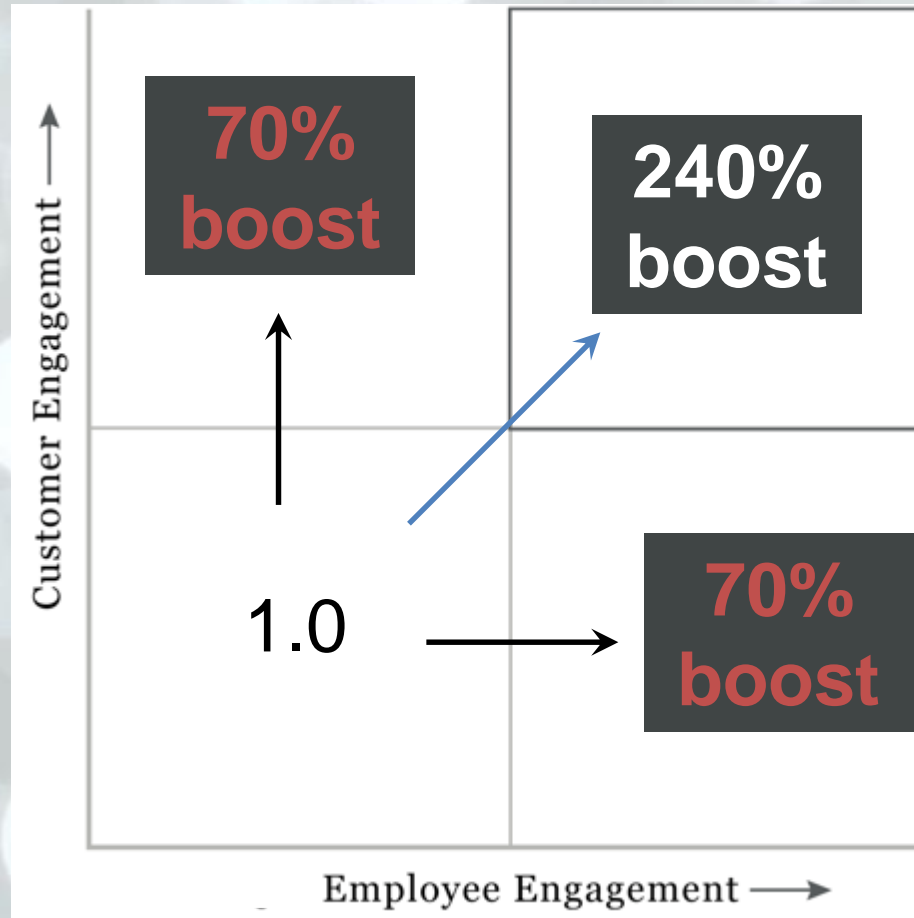


# PERFORMANCE VARIATION

Local Performance Variation Is the Scourge of High Performance



# OPTIMIZATION







GALLUP®

# **Sustained Organizational Transformation**

## **Framework & Key Success Factors**

