



## *Newsletter*

Northwest Indiana Section 1011  
P.O. Box 705 Griffith, IN 46319

**May / June 2003**

---

### ***Mission Statement***

*ASQ – NWI Section 1011 seeks to align the diverse skills of its members into a high-performance team committed to the advancement of quality in personal, professional, and social contexts by providing opportunities to acquire relevant knowledge through social programs, training sessions, and formal instruction.*

### ***Certification / Recertification News –***

Two members recently obtained new certifications. Keith Poole passed the Certified Six Sigma Black Belt exam and Linda Schulte passed the Certified Mechanical Inspector exam. Congratulations to both of them on a job well done!

For anyone interested in taking an exam this year, there are still opportunities left. The CQT, CRE, CMI, HACCP, Biomedical, CQM and SSBB exams will be held on October 18<sup>th</sup> with applications due by August 22<sup>nd</sup>. Then on December 6<sup>th</sup>, the CQE, CQA, CSQE, CQIA and the pilot exam for the CCT will be held with applications due by October 3<sup>rd</sup>.

Again Congratulations to those of you who have recently passed exams and Best of Luck to those of you who will be sitting for the June 7<sup>th</sup> exam!

### ***Welcome to our New Members!***

The section would like to extend a warm welcome to the following new members: Thomas Lehrman, Glenn Dodge, Robin Harris, Christopher Hawkins, Linda Schulte, Mark Hargrove, Diane Garza, Robert Meredith, Joseph Grenda and Bernard Nsengimana. Be sure to keep a look out for these new additions at upcoming meetings!

### ***Upcoming Events –***

The Midwest Regional Lean Network Group will be holding a plant tour and Bar-B-Que at Tri State Industries on June 9<sup>th</sup> from 6 - 8:30 p.m. Cost is \$15 per person, which includes the tour and dinner. For more information or to place reservations contact Phyllis at 219-864-2953 or visit the reservations page of the section website.

On June 19<sup>th</sup>, we will be having a section networking meeting to introduce the new 2003-2004 Officers. This will take place at the Cedar Creek Family Golf Center in Cedar Lake from 6 – 8:30 pm. Cost is \$15 per person. This is the perfect opportunity to come on out and meet everyone. For more information or to place reservations, please visit the reservations page of the section website.

## **Build Your Organizational Equity**

from [strategy-business.com](http://strategy-business.com)

By [Art Kleiner](#)

There's more to wealth creation than financial value. Think what rainmaking, reputation, and relationships can do for you and your company.

Several years ago, at a medium-sized manufacturing firm, a young electronics engineer named Frederick was assigned to lead a team to develop and launch a new piece of high-tech equipment. Idealistic and thoughtful, Frederick saw his assignment as an opportunity to set an example for the whole company. Most projects came in after deadline and over budget, in a manic, round-the-clock final stretch accompanied by browbeating from senior management and desperate pleading from customers. This time, they would use state-of-the-art "team management" methods to change all that. Team members would "own" their project, organizing their own work processes, setting and tracking their goals and targets collaboratively. Frederick's bosses agreed, and the young team leader went to work.

A few months after the project began, Frederick took a week's vacation. While he was gone, his boss stepped in and tinkered with the process, changing the schedule and undoing a deal the team had made with a supplier. When Frederick returned, he felt his legitimacy had been eroded. What was the point of team management if a higher authority could override it at any moment? Discouraged, Frederick quit his management role and became an engineer again. Within a year, he dropped out of the company entirely, leaving his profession to become a sculptor.

"I wasn't treated like a person," he said. "They treated me like a commodity."

People like Frederick are everywhere, of course, in large organizations — in both good times and bad. They always seem to follow the same type of story. Smart and committed, they know a better way to operate. And then, smash! They come up against the organization's internal defense system. They go from being the organization's best hope for making positive changes to being seen as a kind of alien invader. And they never seem to recover from the experience.

But when we look more closely at this story, we see it's not really about change or resistance. It's about the hidden factors behind job satisfaction: the reason some people thrive in an organization and others seethe with resentment and ultimately leave. The critical factor (as most managers know) is not the money or other tangible matters, but whether people feel they are treated as a person with a unique contribution to offer and not as an easily replaced commodity.

Think about your own aspirations in that context: What do you want out of your job, your organization, and your career? Maybe you have plans to leave your company. Or maybe you have no plan at all, and you're coasting along, waiting to see what happens. Whatever your circumstances, you've probably come to realize the limits of the organization's concern for you. Where, then, does that leave you? And what choices can you make if you are dissatisfied? Frederick solved his problem by quitting his job and profession. I'm convinced there's another solution. It all depends on the kind of equity you build up — that is, the value you create not just for your company but also for yourself.

*(Build Your Organizational Equity Cont'd)*

### **Core Group Envy**

It's not the bosses at the top of the hierarchy, per se, who penalize people like Frederick. After all, the "tinkering" boss who drove Frederick out was a well-intentioned middle manager, who sincerely regretted that Frederick left (and didn't really understand his own role in Frederick's decision to quit the company).

The real force that kept Frederick "invisible" as a person was the organizational culture. Organizations tend to classify their members into two groups of people. First is the Core Group — those executives (and others) who come first because they are seen as central to the enterprise. Their needs and priorities, even if unarticulated, define the mission of the enterprise. They usually include the people at the top of the hierarchy, but they can also include gatekeepers (for instance, the head of a critical production plant or union), or people whose personality or integrity has catapulted them to a position of influence throughout the organization. The organization acts first and foremost to meet the needs of the Core Group. (See "[Core Group Therapy](#)," by Art Kleiner, *s+b*, Second Quarter 2002.)

The second group, generally 95 percent or more of the organization, consists of "transactional" employees — people who are contracting, in good faith, to provide a service for the organization. They feel they're being treated as commodities because they are, in effect, commodities. They may not be replaceable, but the organization feels that they are. This sounds like a harsh assessment of organizations, but it's not as bad as it sounds; you can have a tremendous, highly fulfilling career as a transactional employee, as long as you don't get confused about your status. (There's nothing as debilitating as "Core Group envy.")

The Core Group in most organizations defines the status quo. Even when the Core Group members tell people to be innovative and proactive, the rest of the organization will hear a different intent: Keep things steady and comfortable. The big challenge for non-Core Group members like Frederick is not to protest against the Core Group's existence, but to become more constructively conscious of its influence and its values. Had Frederick been more conscious of the Core Group when his new team approach was approved, he would have realized that he didn't have the support he needed to make it work. All around him, people were assuming that, when push came to shove, the Core Group would reject it. Believing that, his supervisor naturally felt compelled to alter Frederick's plans, if only to save Frederick from an even ruder awakening in the future.

Unfortunately, when the supervisor intervened, however innocent or deliberate his intentions, he ended up not just stirring Frederick to leave the company, but also crippling the project. It ultimately came in extremely late, way over budget, and enmeshed in a lawsuit with a supplier, to boot. Had Frederick stayed on the scene, he might have prevented all that.

### **Many Equities**

Imagine that you are someone in Frederick's position, someone who sees a new way of operating or a new strategy and yearns to make it work in your company. You recognize that the organization, simply by its nature, cares more about the perceived priorities of the Core Group than it does about committed,

*(Build Your Organizational Equity Cont'd)*

creative people like you. At first glance, the circumstances might seem to call for cynicism; in the working world, you might think, idealists “like me” will always come to nothing.

How, then, can you gain any leverage at all? There is a way, which can be highly liberating. It allows people at every level of an organization to act with integrity and intelligence to pursue what they most want and what they believe is best for the organization. You must build your organizational equity — a kind of equity that you can create yourself, that increases your influence in your organization, and that helps you fulfill your own dreams.

You may ordinarily think of equity as the assets, transformed into stock, that shareholders own. This is, of course, a valuable form of equity for employees — whether purchased through options, awarded in grants, or bought through 401(k)-style investments. Paradoxically, this asset’s greatest value comes before it’s cashed in: as a visible sign of your commitment to the performance of the whole. It aligns your fate and the company’s fate in a tangible way. But if it’s the only form of equity you own, as many employee–shareholders have seen in the past two years, it makes you all too vulnerable.

In the end, the conventional definition of equity is far too narrow. It’s better defined as any share of accumulated wealth, including such intangible forms of “social capital” as relationships and reputation. There are dozens of types of equity that an individual can accumulate, including these:

- **Fungible Financial Equity** - Can you accumulate, through savings or other means, enough money to be able to walk away from an organization if you can’t live with the Core Group? Can you accumulate enough money to invest in your own development, even if your employer doesn’t? Having this amount actually makes it easier to live with the organization, which will sense that you are staying with it through genuine interest, not financial dependence.
- **Rainmaking Equity** - The ability to raise money or drum up business is another form of capital. It depends, in part, on your contacts in the outside world, and even more on your ability to approach them. If you are not in the Core Group, you can still command enormous respect for this skill.
- **Credential Equity** - Once you have held a position or acquired a credential, it remains with you for a lifetime. Those who have been presidents of companies can become presidents of companies again. Those with degrees in a field, from engineering to education, are qualified for life for employment in those fields.
- **Reputation Equity** - People who live by their wits, like lawyers, consultants, and writers, have always known the value of this equity. “If Marconi says something about ultra-short waves,” Ezra Pound wrote, “it *means* something.” You build your reputation less through the accomplishments you stack up (what you *do*) than through the way you operate in life (who you *are*). Sooner or later, you can attract opportunities — such as speaking, teaching, appearing on television, or writing — that further enhance your reputation. At that point, your reputation has become a form of self-generating equity. I know several innovative managers who have protected their right to innovate by

*(Build Your Organizational Equity Cont'd)*

continually writing for outside publications and speaking at outside conferences, thereby demonstrating that *someone*, at least, honors their ideas.

- **Relationship Equity** - Some people never have a problem widening their personal network or making trusted friends. People seek *them* out. And relationships breed more relationships. As Malcolm Gladwell noted in *The Tipping Point: How Little Things Can Make a Big Difference* (Little Brown & Company, 2000), Paul Revere was able to roust the farmers of Middlesex because he was a natural convivialist, a frequenter of bars and a member of social groups, including the budding groups of revolutionaries then emerging. In corporate America, such relationship equity (particularly the ability to know the Core Group) can save people from losing their jobs even when they challenge the top.

- **Capability Equity** - Perhaps the equity that does the most for you is your ability to gain new capabilities and skills, because these accelerate your accumulation of all the other forms of equity. Most organizational learning literature and emotional intelligence literature (all types of how-to literature) is about building capabilities.

Some forms of organizational equity are measurable, and others are not; but whatever form it takes, it has two key features. First, it gives you leverage in an organization. Second, it accrues exponentially; emotional dynamics grow in the same way that a savings account increases through compounded interest. When you first consider building a nest egg (say, in your 20s), it seems impossible that your small contributions will ever add up to anything significant. But suppose you stick with it. You even pick up the pace of savings as your income increases, eventually crossing a threshold of confidence: the recognition of your own ability to acquire a significant stake. In other words, you've demonstrated your ability to save. Sometime in your 40s or 50s, your account crosses another threshold — the threshold of sustainability. It is large enough to generate a significant income just from the interest. You have created what economists call capital: A resource that replenishes itself.

All equity involves the same two thresholds: confidence and sustainability. Most coming-of-age stories have to do with crossing the threshold of confidence: Harry Potter learns to play quidditch (skill equity); E.B. White's Wilbur the pig establishes a form of fame that saves his life (reputation equity) through his ability to befriend others (relationship equity); the J.D. Salinger heroine Franny Glass, in his classic book *Franny and Zooey*, develops a kind of emotional and spiritual depth (capability equity). The message of these stories to the reader is, "You can do it, too."

Equity must be protected, however. Stories about sustainability are often tales of long-lived dynasties like the Rothschilds, the Kennedys, or the Rockefellers — who continually build on their holdings. But there are many cautionary tales about ne'er-do-wells or hapless types who lose their sustainable position. Just as a family fortune can be completely dissipated, "shirtsleeves to shirtsleeves in three generations," nonfinancial equity will erode if it is not well managed. Once it is drawn down past the threshold of sustainability, it can vanish with unexpected speed.

*(Build Your Organizational Equity Cont'd)*

### **Rhythms of Growth**

Organizations should help employees accumulate a variety of equity types, not just financial equity. By doing this, organizations could cement loyalty, align people with the purpose of the enterprise, and build a stronger company. In the absence of that organizational support, we can still build equity for ourselves and lead a rich, rewarding life in the workplace, whether or not we are part of the Core Group.

The reason Frederick, the young electronics engineer, got into so much trouble was this: He didn't have enough different kinds of equity to match the complexity of his job. It's not just that he didn't have stock options; those would (at his level) merely have been a symbol of future potential. They would have helped, but they wouldn't have been sufficient.

At first glance, rainmaking equity was unnecessary for him; the budget was set and funding allocated from above. In reality, however, the ability to raise more money would have greatly increased Frederick's options (and the team's). Reputation equity would have helped even more. Any new team leader supervising a major development project needs a reputation for high competence and deep creativity. Frederick lacked this. At minimum, a presentation of the rationale for his approach would have made a difference. Even if people at the top didn't attend, the presentation would have made them aware of Frederick's contribution and foresight.

Relationship equity was one of the most important components missing from Frederick's portfolio. He needed strategic power to maneuver through the infighting among his various bosses, to get sponsorship for his new approach, and to provide "air cover" for his team. Frederick had excellent relationships on a peer level and with suppliers. But his lack of good relationships with those up in the hierarchy was a crippling factor. There was no one he could go to for candid counsel or perspective.

In retrospect, Frederick's project looks like one that should have been tackled only by someone with a fair amount of organizational equity. People like him often are invited to take on roles and projects that look like a one-way ticket to the top. They are told, in essence, "You are free to fail," and, because others assume they *will* fail, the risks seem manageable. But without an organizational equity portfolio, barely visible roadblocks are raised; people come in and micromanage; rumors of incompetence spread. The only way to deal with this is to have accumulated enough organizational equity, of various sorts, that you can protect yourself.

Although all equity growth is compounded, different forms of equity have different rhythms for growth. Money accumulates gradually, with a smooth exponential curve of steady mathematical advancement. Skills and capabilities accumulate through a kind of punctuated equilibrium; the innovative organizational psychologist Elliot Jaques, who died in March, demonstrated that the human ability to deal with complexity crosses a cognitive threshold every 15 years. (See "[Elliot Jaques Levels with You](#)," by Art Kleiner, *s+b*, First Quarter 2001.) Have you ever suddenly realized that you're routinely doing complex tasks that flummoxed you a few years ago? That's what it feels like to cross a cognitive threshold. Reputation's curve seems to advance with accelerated momentum and then come to sudden stops, with no

*(Build Your Organizational Equity Cont'd)*

clear cue about when it will start up again. Only those who seize the moment when opportunity strikes develop rainmaking equity.

Anyone, no matter how downtrodden (or how excluded from the Core Group), can build equity. But there is no one-size-fits-all strategy for building a portfolio of organizational equity. Your choice depends on what is easy for you, and on what equity your organization and its Core Group value. Most important, your choice depends on the kind of life you are trying to create. Because you cannot tell in advance which will be most useful to you, the accrual of many forms of equity will help contribute to a well-rounded life. A reputation for being trustworthy and capable and an extensive network of competent, trustworthy friends who take your calls is a better hedge than a lot of money invested in an unbalanced portfolio of stocks. A lifelong strategy of building equity also means that you don't have to wait for someone else to bestow something on you — whether it's stock options, jobs, or membership in the Core Group.

So when taking on a new assignment or pushing your job to a new level, you should ask yourself: What kinds of equity does this challenge require? How much of that equity will I need ahead of time, and how much can I build on the job? And if I don't have it, what do I do to develop it, and how long will that take?

One final bit of encouragement: Building any of these forms of equity is easier than it seems. It always starts off as a slow and agonizing process, until you cross the threshold of confidence. And by the time you cross the threshold of sustainability (if you ever get there), it's hard to remember that you ever had a problem.

*This article is adapted from Who Really Matters: The Core Group Theory of Power, Privilege, and Business Success, by Art Kleiner. © 2003 by Art Kleiner. To be published by Doubleday Currency in August 2003.*

Reprint No. 03203

## **Authors**

---

### **Art Kleiner,**

[art@well.com](mailto:art@well.com) is the "Culture & Change" columnist and a regular contributor of "The Creative Mind" profiles for *strategy+business*. He teaches at New York University's Interactive Telecommunications Program. His Web site is [www.well.com/user/art](http://www.well.com/user/art). Mr. Kleiner is the author of *The Age of Heretics* (Doubleday, 1996); his next book, *Who Really Matters: The Core Group Theory of Power, Privilege, and Business Success*, will be published by Doubleday Currency in August 2003.

**HR Lessons from The Baldrige Award Winner**  
from the Institute for Healthcare Improvement's newsletter "Continuous Improvement"

**An interview with Steve Barney, Senior Vice President of Human Resources at SSM Health Care**

*For the first time in history, a health care organization has won the prestigious Malcolm Baldrige National Quality Award. SSM Health Care (SSMHC), a not-for-profit, Catholic health care system based in St. Louis, MO, took the award in the health care category, claiming its position as the first and only health care organization to win the award.*

*Seven categories make up the Baldrige Award criteria: leadership, strategic planning, customer and market focus, information and analysis, human resource focus, process management and business results. We talked to Steve Barney, Senior Vice President of Human Resources at SSMHC, to find out how they used the Baldrige criteria and process to care for their patients' caregivers.*

IHI: Steve, first of all, congratulations! How does it feel to win the Baldrige Award?

SB: It's been very exciting. To receive the national recognition that comes with being the first winner of the Baldrige is pretty heady stuff. But after the wave of excitement comes the reality that we have to live up to those expectations! We just came back from meeting with the other Baldrige winners, and it was exciting to tell our story - it was very well received. Now we are realizing that we have to continue to get ever better. We don't consider the Baldrige as a mark of the end of the journey. It's sort of a recognition that you're on the journey and you're progressing on it, not that you've reached an end point.

IHI: Speaking of the journey, SSMHC has been committed to Continuous Quality Improvement (CQI) for close to 13 years, before the Baldrige Award was open to health care organizations. Can you tell me about SSM's quality journey, and how you incorporated the human resource component into your overall business strategy?

SB: When we began to embrace CQI in 1990, we understood the concept that valued working with the people that were closest to the tasks at hand. One of the key principles of CQI is that quality is achieved through people. That has HR written all over it.

Then we moved into using teams to address common problems and evolve solutions using data, facts and testing hypotheses. When you do that within a team of people who are intimately involved in the work process you're trying to improve, you're going to have a significantly higher level of ownership and a better chance to really improve a process.

Looking at survey data over the years, we have found two key motivators that stand out among employees here. Overriding is of course the mission - we think people buy into that. But there are two components that really galvanize health care workers. One is that they really like the work itself, at the bedside. They became nurses, lab techs, x-ray technicians, etc. because they enjoy the work. The second factor is that they like working in a team with colleagues. We don't have people who like to work by themselves behind closed doors on an intensely personal project, like an author might, for instance. Health care workers like working with other people. When you combine those two factors, you see it's a ready-made environment for CQI because it's already predisposed to wanting to have a team spirit.

*(Baldrige Winner Cont'd)*

IHI: How did your HR strategy evolve?

SB: The concept of involving people began right at the start. In nursing units, in billing offices, labs and even in administrative groups we formed teams and used CQI principles to test them out. At first it took us forever to get something done, because we weren't facile at it. However, when we started using the Baldrige criteria - even before health care was eligible for it - we became aware that HR planning wasn't necessarily as integrated as nicely into the strategic and financial planning processes. We have now integrated human resources into our strategic planning process. It is called the "Strategic, Financial and Human Resource Plan." Today, when financial and strategic plans are presented in the corporate office, we spend as much time looking at the employee satisfaction numbers as we do the operating income. We look at the strategies in place to raise employee satisfaction numbers at the same intensity that we look at our operating margins or clinical improvement goals. HR is not separated out or left behind; it's integral to the whole process of getting your plan approved.

IHI: What were some of the challenges you encountered along the way?

SB: In the initial CQI processes, we were very heavy in process and learning the terminology. After a few years of that, we realized it would take us forever to get anywhere, so our challenge was in realizing we could have a more rapid process while still honoring all of the principles of CQI. Our challenges were often linked to change. In this instance, we found we weren't moving quickly enough and implemented using the Baldrige criteria to help us move ahead more efficiently. Also, with continuous focus on measurable activities, we found we had a challenge with deployment - getting everyone on board and learning to create measurable, not amorphous, goals. For example, we have a Passport program which is a 3-fold piece of paper given to all employees that lists the system, hospital and department's objectives and has a place for the employee to list his/her improvement objectives in alignment with the others. It was hard for people to come up with measurable objectives. People would list a goal such as "Be nicer to patients" instead of a measurable goal such as "Ask if there is anything else they need before leaving the room each time."

IHI: What are some of the ways that SSMHC cares for the caregivers?

SB: Some of the ways our culture embraces employees were there before the Baldrige criteria. For instance, we've had for many years what we call "Mission" or "Retreat" Days." We ask each entity to set aside some time each year for employees to be able to get away from the workplace, for a half-day or a day and have a sort of a "retreat" where we reflect on the mission. This can be considered a kind of quasi-spiritual, renewal retreat - not a religious one - but an opportunity to reflect on what it's like to be in the workplace, overall issues in health care delivery, how to make work and life balance better, and how each person keeps energized to be able to enjoy her or his job. Not every employee participates every year, but every entity takes a day, often at an offsite location, to do this. That's one thing that's common in the culture.

We've also tried to provide opportunities for individual employees. We've created what is called "an apple a day" or a "star" program, where an individual employee can recognize another employee without going through any management approval process. They simply write the person's name down, thank them for helping them on a certain project, drop the name into a box and it goes up on a board for that month.

*(Baldrige Winner Cont'd)*

Often there is a drawing for a gift. Every entity has some way to do it, within their teams and across teams. It may be that a person from the ED is recognizing someone from admitting, for example. This type of recognition doesn't have large monetary cost, but has value for people who value the team and their coworkers.

There is also recognition for the team itself. Take a team for instance that developed a way to increase turnaround times in the operating suite, or successfully improved a billing process. These teams can be selected by their entity leadership to go to what we call the "Showcase for Sharing," which we hold a couple of times per year. Teams from 20+ entities come together for a "show and tell." It's a way to recognize staff achievement, because by being sent it's acknowledged that you've conducted a highly regarded project. It's also an opportunity to get the best compliment of all, which is to have your ideas stolen by other entities and replicated.

IHI: What do employees say about SSMHC? Why do they stay?

SB: I can't speak for all employees at all times, and we do have higher turnover in the first year, but once they're here for a year or two and are sure they want to continue in health care work, they say that the main reasons they want to stay with us are because they like the people they work with and feel appreciated in the environment they're in.

We have a commitment to employees to pay them competitive wages. If we need to adjust wages more than once a year, we do it to make sure we're competitive. We don't say we're the highest paying, but we tell staff that they'll always be paid competitively. We survey those things so that people don't feel that it's better someplace else because we're not keeping up with the competition.

We've tried to develop benefit programs that are much broader, and more inclusive. For example, we've changed our pension programs to allow people to retire a bit younger with partial pay but come back to work with benefits. So, for instance, a 60-year old nurse, who can't be on her feet 5 days a week, 8-10 hours a day, might like the idea of retiring with a reduced pension and coming back to work as an experienced nurse without having to put in so many hours and still receive health care benefits.

Our health insurance program is broader than the traditional programs. One example is that, if an employee isn't using the spouse coverage, he/she can cover another adult in the household instead. We have employees who might have their 28-year-old daughter at home with the grandkids. Now they can all be covered. This policy broadens the access to health care and recognizes that the family unit isn't the same as it might have been defined 30 years ago.

We also allow employees to work a very different schedule than we used to. People work weekends only, nights only, part-time, 12-hour days, the traditional 9-5 and other configurations. Since we are a combination of part-time and full-time employees, we have the capacity to give a lot of flexible scheduling options

IHI: What is SSMHC's return on these investments in employees?

SB: A measurable return has been a lower turnover rate than the national average. Our employee satisfaction rate is 74% when the national average is 69%. The expectation is that higher employee satisfaction means higher patient and physician satisfaction, which ultimately translates to better market

*(Baldrige Winner Cont'd)*

share. When you have programs to keep employees longer - such as programs to keep experienced employees from leaving the workplace - you have a double benefit, as a more seasoned employee is probably more efficient than a new person. So we want to recruit them on one end and retain them on the other, to create a more secure workforce.

We have paid special attention to our diversity. The populations we serve in every community all have different ethnic and cultural demographics. If we don't represent the communities we serve throughout the ranks in the workforce - and that means not just at entry level but throughout management - it makes us less effective at relating and providing a welcoming and affirming environment when they come to us for care. So we have specific goals for increasing the number of nurses or managers that represent the diversity of our particular communities. Health care has some problems in that area. If you look at national statistics, about 12% of Americans are African-American, and about the same percentage is Hispanic. But if you look at the ranks of registered nurses, you'll find that only 5% are African-American and an even smaller percentage is Hispanic. The disparity translates to less effective capacity to meet the needs of a diverse population of patients. There is clinical data to suggest that when you have cultural gaps in the caregivers it will translate into less effective care for the patients.

IHI: What could people do tomorrow to create a more effective human resources strategy?

SB: Whether it's the human resources strategy or the strategic or financial strategy, it doesn't matter - it's got to come from the CEO. If the CEO makes the topic of major importance, it gives everybody the charter they need to push ahead. The CEO also needs to champion it. Our CEO, Sister Mary Jean Ryan, has to receive singular credit for setting the course and staying the course. Organizations that have been successful, such as our peers in our Malcolm Baldrige quest, have that common denominator: very strong, unwavering, energetic, focused commitment to quality. Although it's a bottom-up process for enabling people, it requires a top-level commitment to stay the course.

IHI: What are some bottom-up strategies?

SB: As part of the fundamental underpinnings of a CQI culture, you need to involve people at the grass roots. It makes no sense to have a group of corporate people prescribe how to deliver patient care in the unit where trained nurses are working. So, nurses as well as other workers should be involved in planning the care. The commitment at the top of the organization gives permission for everybody to take ownership for that which happens in his or her immediate environment.

IHI: What are some forums that include staff in the design of care?

SB: We train all of the middle managers to be CQI team leaders. So rather than teaching them how to be "boss," we teach them how to facilitate and coach people. In a sense, the fundamental first management development course for managers is to learn CQI team leading. It's a one-week course, but it's not about how to do evaluations and discipline. It's about how you coach, structure jobs, keep people accountable but give them space to do what they need to do, recognize and encourage them, and make sure that everybody is participating on the team.

We also have employee councils, separate and distinct from management, comprised of rank-and-file employees who are selected to give their input to the president and other senior managers.

*(Baldrige Winner Cont'd)*

IHI: Do you have any other advice for people trying to follow in your footsteps?

SB: It's a commitment to a journey, not a race to the finish. Once you have top-level support and a CQI culture in place, it's continually looking for ways to improve, and following the protocol to implementing and testing changes. Employees play an important role in providing ways to improve, so it's important to have feedback loops, as you do in a CQI culture. People get very energized when they can make improvements they can see and directly benefit from; and it's especially nice when an improvement in one part of the system can be replicated in other parts. So it's important to have a way to find out what other departments are doing, like we do in our "Showcase for Sharing." Other than that, it's celebrating the successes along the way.

*If you would like to learn more about SSMHC's Baldrige Award, including viewing their application, visit their web site at [www.ssmhc.com](http://www.ssmhc.com)*

*Steve Barney will be one of the faculty members in IHI's "Calls to Action" audio conference series, Breakthrough Improvements in Workforce Development, which begins on May 6. [Click here for more information and to register.](#)*

## 2002 – 2003 Section Officers

Dan Kelley-Chair  
[Dkelley@netnitco.net](mailto:Dkelley@netnitco.net)

Phil Pope – Vice Chair  
Hiler Industries  
1-219-362-8531, ext. 3325  
[Ppope@hilerindustries.com](mailto:Ppope@hilerindustries.com)

Mark Fleishman – Secretary  
Aeromet Industries, Inc.  
1-219-924-7442, ext. 123  
[Mark.fleishman@aeromet.net](mailto:Mark.fleishman@aeromet.net)

Paul Stoudt – Treasurer  
Avery Dennison  
1-219-695-7777  
[stoudt@prodigy.net](mailto:stoudt@prodigy.net)

## 2002 – 2003 Committee Chairs

Luke Janavicus-Auditing

Milton Krivokuca – Examining  
Davenport University  
1-219-844-3980  
[Milton.krivokuca@davenport.edu](mailto:Milton.krivokuca@davenport.edu)

Dave Buhner- Certification & Recertification  
American Renolit Corporation  
1-219-324-6886, ext. 126  
[Dabuhner@americanrenolit.com](mailto:Dabuhner@americanrenolit.com)

Jennifer Hendricks – Internet, Membership, Newsletter  
JII Machining  
1-773-326-4715  
[jhendricks@jernberg.com](mailto:jhendricks@jernberg.com)

Walter Smith – Newsletter Editor  
1-219-939-0950  
[sputnikgene@yahoo.com](mailto:sputnikgene@yahoo.com)