



Guttman Insights

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Paul T. Parker is Senior Vice President and Chief Human Resources Officer, Royal Caribbean Cruises, Ltd. (RCL), a global leader in the cruise-vacation category. The company operates 48 ships that visit over 500 ports on all seven continents. It serves 5 million guests annually and employs 70,000 people. RCL is headquartered in Miami and maintains 12 offices around the globe

What's it like being a senior executive in what many would consider a glamorous organization?

The level of diversity, the global nature of the company, the way our assets move around—they're not sitting on a shelf in a supermarket—make RCL a fascinating environment, no doubt. Unlike a company with, say, a production facility in some rural location with a homogeneous population, come aboard one of our ships, and you might have a waiter from Slovenia, a *maitre d'* from India, and a guest-relations person from Colombia. We bring a kind of United Nations approach to our vessels.

Paul T. Parker, Senior Vice President and Chief Human Resources Officer, Royal Caribbean Cruises, Ltd, explains how he's navigating the waters to achieve high-performance at Royal Caribbean Cruises, Ltd. Does your team need an energy boost? Howard M. Guttman provides practical tips to pep up performance. And Associate Senior Consultant Martin C. Becker describes the CEO succession bake-off at a major retailer. All this in a five-minute read.

In This Issue

- 01 Leader's Corner: Building Performance Thrust at Royal Caribbean Cruises
- 04 Energizing High-Performance Teams
- 05 From a Consultant's Notebook



ROYAL CARIBBEAN CRUISES LTD.



Leader's Corner: Building Performance Thrust at Royal Caribbean Cruises

I would imagine that the rhythm is fast paced and challenging.

It's very dynamic. We put on more shows nightly than does Broadway. We move more people around the world than most companies. Our objective is to create the greatest guest-vacation experience. Our customers have decided to spend their vacation taking a cruise rather than visiting a city or resort. The cruise is the destination, along with the itinerary and the people with whom you interact. We have a captive audience, and we must provide them with a "book me now on another cruise" kind of experience. Getting it right is the challenge!

How do you bring the great diversity in talent together so that it works optimally at the passenger interface?

Training becomes a key component in ensuring that our people are successful in doing their jobs. How do you make sure you anticipate guest needs? And how do you reduce whatever friction points there might be with a guest? It takes careful training and development. Also, when employees are distracted they underperform. Part of our job as HR professionals is to remove distractions and concerns from the day-to-day lives of employees, who are away from their families, in a situation or country in which they haven't been before, and who must interact with co-workers from diverse backgrounds. They need the skills and service mentality to deal with whatever guest issues arise in a way that enhances the guest experience.

What have you learned about reducing the noise or distraction that inhibits top performance?

It's about communicating, which sounds simple. That communication must be need-focused. Employees must have access to the information that they need to make their lives easier. If they have questions, they must be answered as quickly as possible. It's not so much about information quantity, but delivery. Information becomes effective when it is presented in a way in which it can be accepted, digested, and acted upon. We also have an HR manager on every ship, and we have a crew-administration function that is devoted to the care and well-being of the crew. We have anywhere from 5 to 10 HR professionals on every vessel.

What's the most important quality you look for in hiring staff to serve on one of your ships?

We look for people who genuinely want to create the best possible experience for our guests. We know that anyone on board can leave a big impression. Something as simple as a hello or remembering the guest's drink order from the day before is part of the reason why guests come back again and again.

What about the qualities of those on your team?

On the one hand, HR professionals are the voice of the employees; on the other, they have a fiduciary responsibility to the company. We look for people who will avoid either being an “employees are always right” advocate or a policy enforcer. What we look for are great listeners, who are able to empathize with employees, yet understand the business imperatives and translate their experiences into solutions within our unique environment. Technical expertise, being global citizens, empathy for employees who don’t speak English as their first language, and an ability to deal effectively up and down the organization—from our ships’ staff to C-suite executives—these are the traits we look for.

When you arrived in 2015 at RCL and you looked at your HR team, what did you see?

I was tasked to look at HR in a different way: To make sure that HR became a business partner in solving problems, anticipating issues, and supporting the company’s strategic growth objectives. We’ll add 30 percent more people to our workforce over the next five years. I looked at current capabilities and future needs, and asked: Do we have the right mix of internal talent to play at a high-performance level?

What did you want your team to become?

I wanted a team that was focused on the business and had an ability to bring the voice of the employee to the discussion. I wanted a team that could play an important role in making talent a differentiator. Everybody can build a ship, but we need to ensure that our people make our organization stand apart. And that required a team that thought and acted like business partners: one that was a cohesive, unified force for achieving results.

And what changes did you make?

We needed some fresh perspectives in order to change the way we do things. We brought in some talent from outside the cruise industry, who saw things differently and could look at our processes more objectively. We also promoted some of our HR managers, who have onboard experience, to key roles. Their deep understanding of life on board our vessels helped strengthen our connection to the entire business.

When did you decide to initiate your journey toward a horizontal, high-performing HR team and organization?

Once we had the right players in place, we needed to build trust and establish rules of engagement. Growing the workforce in five years by 30 percent, on a base of 70,000 employees, is a tall order, one that required us to become a high-performing, horizontal team. GDS collected data and gave us feedback. We had to change a few players; they just weren’t up for the game. We went through the team-alignment and reassessment process and now have a solid team in place. We’ve made commitments about how to interact with one another and built in rules of engagement. We’re now acquiring the needed conflict management and other high-performance skills.

If I were to visit your team, what do you think I’d notice?

You’d see team members who think as a board of directors. We’re all on the same page. We win or lose together. People openly question one another, push boundaries, collaborate, and share resources. You would see team members playing to win the long game, not just the short one, and venturing outside their comfort zone.

What would your internal HR clients notice?

Our internal clients would see an increased level of responsiveness. They would see members of our team show up more as business partners, with less focus on policy enforcement and more on questioning, listening, and seeking to understand the business issue at hand. It’s why our internal clients are beginning to invite members of our HR team in at the beginning of a discussion. We’ve become participants in the design of things.

Do you plan to take the horizontal, high-performance way of working to other levels in the HR organization?

My team and I spend a lot of time communicating what we’re trying to achieve to the next levels, role-modeling behaviors, and cascading the message down and across the HR organization. Once we equip the leadership team with the high-performance skill set, we’ll move to do a multi-tier alignment and more formally engage the next level.

What’s the biggest insight that you’ve gained in changing to a horizontal, high-performance approach in your unique environment?

The cruise industry is steeped in tradition. Some of those traditions are amazing; others are no longer valid. There is a need to respect and challenge those traditions—validating the ones that should remain and challenging the ones that should go. We’re running small floating cities. It’s very complex and requires figuring out what’s relevant to all our internal and external stakeholders. The horizontal, high-performance journey has helped me to build a cohesive, focused team and organization that set priorities and remain focused on what keeps us ahead of competitors. 🌍



Energizing High-Performance Teams

by Howard M. Guttman

Don't expect perpetual perfection from a high-performing team. The real world is full of twists and turns that can cause a fall from grace: a new team leader, churn in team membership, restructuring, a strategic shift, an economic downturn—you name it. Every team, no matter how evolved, backslides occasionally.

In an interview published in Harvard Business School's *Working Knowledge*, Professor Amy Edmondson reported that well-led teams seem to make more mistakes than average teams. The reason: They report and discuss more errors—then learn from them.

The article underscores a unique feature of a high-performing team: its ability to recalibrate. To do so, a high-performing team is aligned, “we” centered, quick acting, and unafraid to go where lesser teams fear to tread. This makes such teams superb engines for achieving results, despite the occasional sputter.

Leaders of high-performing teams play a pivotal role in their team's revitalization. They typically possess finely tuned sonar that enables them to go below the surface of day-to-day activities to detect trouble early on. When that radar locks onto trouble, it's time to bring in a third party to conduct interviews of team members and survey them to see if they have the same perceptions as the leader. Then, it's on to a full-team meeting in which the first order of business is to hold up the mirror to the team by discussing the results of the interviews and surveys.

This is not for faint-of-heart leaders. The discussion can point to the leader as an unwitting co-conspirator in the team's underperformance.

Once there is a baseline of agreement on the symptoms and behaviors that have led to the difficulty, the discussion moves to pinpointing root causes and corrective actions.

Accountability is another prerequisite for bringing a star team back to its previous level of performance. Dips in team performance are rarely the result of a single underperformer. In most cases, the enemy is “us.” On high-performing teams, accountability goes well beyond the individual's recognition that he or she is part of the problem. It even goes beyond holding peers on the team accountable for performance. It includes holding the team leader accountable as well.

“Dips in team performance are rarely the result of a single underperformer.”

While it is great to have a team leader with a well-developed sense of impending performance difficulties, you can't always count on it. The leader may be—and often is—part of the problem. This makes recalibration dependent on a team's ability to continuously self-assess. We recommend that high-performing teams go through a formal self-evaluation process every four to six months. And most high-performing teams that we know do a quick reality check at the end of each regularly scheduled meeting, asking: “How are we doing as a team? Are the ground rules we've established holding up? Are there any disconnects?”

High-performing teams, especially those in a course-correcting mode, are relentlessly “just do it” oriented. They typically have a built-in process for identifying issues, setting priorities, assembling the fewest number of people from the team needed for resolution, setting decision-making guidelines, and moving quickly to resolution.

Reviving a sluggish high-performing team is rarely a mission impossible. Team members who were once at the top of their game need to be reminded of the fundamentals in order to return to the previous level of play. ●



From a Consultant's Notebook

Martin C. Becker

Here are the field notes from an intervention led by Guttman Associate Senior Consultant Martin C. Becker.

Presenting Situation

A specialty international retailer in the Midwest with 29,000 employees faced a leadership transition....CEO retiring....Board of Directors wanted an assessment of the two leading internal contenders—presidents of the company's two largest divisions....One of the two was favored by the outgoing leader, so had a slight edge....But Board wanted open, fair, impartial assessment.

Charter for Guttman

First, present the Board with a model of the competencies that a CEO would need to be successful in their organization....Then conduct a thorough evaluation of the candidates, comparing each against the model.

Process

Competency model required first interviewing Board members, along with key executives in the organization, the outgoing CEO, and selected customers....Next, examining latest leadership research to determine what key competencies/behaviors were needed to successfully drive the business forward....Competency scales developed and tested with Board for buy-in.... The two candidates were evaluated against the competency criteria—the classic ones dealing with leadership, ability to deal with ambiguity, and the like—along with those related to specific company/industry requirements.... Evaluation included in-depth interviews with the candidates, 360° feedback, and use of a variety of assessment instruments.

Results

Board got better understanding of the capabilities of internal players and acquired a process for rational behavior and skill-based succession planning....Evaluation process revealed that the initially favored candidate was the stronger of the two, but the Board felt he wasn't yet ready to take over the reins....Bottom line, they decided to look outside....External search was conducted and the CEO of a comparable organization hired....Both internal candidates remained as divisional presidents....GDS retained to coach the one who wasn't quite ready....Worked with him on developmental opportunities revealed in competency model—everything from managing people with behavioral issues to decision-making, presentation, and communication skills....Real-time, in-the-moment coaching proved effective: for example, videotaping actual presentations, followed by an immediate debrief.

One of the divisional presidents then decided to have GDS help with succession planning within his division....COO in the division was retiring....Wanted to use similar competency model and evaluation process that had been used at corporate level.... Three candidates emerged.... President asked GDS to coach all three....Eventually everyone on divisional top team went through coaching....Based on results of assessment and coaching, one of the three candidates selected as new COO....Division president was coached on how to deal with two runners-up....Both remained.... Weakest of the three was coached further, went through a team alignment, and exhibited dramatic transformation....Epilogue: The CEO left the company after several years, and the divisional president that the Board didn't think was ready the first time around was a shoo-in this time.

Key Insights

Don't underestimate the soft skills and behaviors. They're critical. The higher up you advance in an organization, the more important the soft skills become....Top-of-the-house executives often have great difficulty dealing with difficult people issues....Learning to handle them separates those leaders who are ready right now from those who have a way to go before they can rise to the top. ●