



Guttman Insights

December 2016



Andrew Dale is the Senior HR Director, Realty Division, Walmart Stores. The division is comprised of 3,500 associates, who are located throughout the U.S.

What do you see as one of the key challenges that Walmart's Realty Division is facing?

Today's consumers are changing their shopping habits. Everyone wants what they want, when they want it, where they want it, and how they want it. They can be on-line, working off a tablet or other device, in their home, in a brick or mortar building, riding in a car—no matter: People want access to quality goods at great prices. The challenge for us is: How do we integrate digital and physical outlets to provide a seamless shopping experience for customers?

Can you give a few examples of how Walmart integrates the in-store and digital shopping experience?

We have a "Pick Up Today" experience: A customer can go to Walmart.com to review a store's inventory, order an item in the store, then pick it up from the store. We also provide a "Site to Store" service: Customers can order from a large assortment of items available at Walmart.com and have them shipped to any Walmart store. In addition, we are excited to have a new service called Online Grocery Pickup. Here again, a customer can go to Walmart.com/grocery and order food items, choose a pick-up time, go to the store, and an associate brings the items to their car. The goal is to have customers on their way in five minutes or less.

It's the holiday season once again—and time to look beyond the tragedies, turmoil, and triumphs of 2016, and look with hope to 2017. All of us at GDS wish you a joyous holiday season and an abundance of all that's good in the year ahead. In this issue, Walmart's Andrew Dale discusses how the company is integrating the digital and in-store shopping experience and adding high-performance leadership to Walmart's Realty Division. Howard Guttman focuses on the "A-Factor." Read his column to discover why it is crucial. And GDS's Cindy Herman reveals how one client uses self-coaching to stimulate individual professional growth and organizational alignment. All this in a five-minute read.

In This Issue

- 01** Leader's Corner: Always Low Prices and High Performance at Walmart
- 04** The "A" Factor
- 06** From a Consultant's Notebook



Leader's Corner: Always Low Prices and High Performance at Walmart

What's your biggest HR challenge?

That's where the notion of a high-performing team comes in. Our HR challenge centers around how you help 3,500 people to work together to achieve extraordinary results. It centers on avoiding siloed thinking to take a broader perspective. For this to happen, everyone must see that working in a high-performance environment makes for a better outcome, whatever change we undertake—whether during a remodel, a new-store build, or anytime we're reconfiguring a store. It entails everyone adopting the perspective: "We're here to provide a great shopping experience for our customers," versus the narrower perspective of "One team said this, or another team said this, so that's what I'll do and no more." It's about working for the best result for the entire organization, not just one part of it.

What are Walmart's core values and how are they reflected in the Realty Division?

Strive for excellence, service to our customer, respect for the individual, and integrity always—these are Walmart's basic beliefs. These are ways of working in our division and a baseline for what we do. For example, when we interview prospective new hires or someone at Walmart who is up for a promotion, we ask: "Tell me about a time when you were asked to do something that you felt was unethical or questionable. How did you respond?" The typical response from a Walmart associate is, "I've worked for Walmart my entire career, and I don't even know how to answer that question. That's never happened!"

What about implementing Walmart values at the store level?

Take "service to our customer" as an example. Our stores are monitored and measured on the quality of the customer experience, which means: How well is the store performing against the metrics of being clean, fast, and friendly? Store managers and associates are measured and incentivized accordingly. Customer opinion is a driver of the performance system. At the corporate level, we focus on "the one best way": What is the absolute best way we can take care of our customers, in all the situations we face—from decision making to planning to execution.

What about "striving for excellence?"

That was one of the beliefs that prompted us to adopt the high-performing team approach. Building a high-performing culture hinges on striving for excellence. How do you motivate, reward, and provide the focus required for people to go above and beyond the call of duty—to be the best they can be for themselves and the company—on a consistent basis? The high-performance model identifies those critical factors that help people engage and interact in a way that allows them to accomplish extraordinary results. The very nature of high-performance behaviors—addressing conflict within 48 hours, not triangulating, transparency and accountability, being honest about your strengths and areas for development, just to name a few—these are critical for moving our business forward at the pace we must move.

What were the behaviors you wanted to change, improve, or reinforce in moving to the high-performance model?

Like most companies, if left to ourselves we tend to retreat to silos. “This is my business, this is what I’m responsible for, and I’ll manage it.” One of our goals was to bring down the walls of any silos which may have been present and have our senior team drive collaborative ways of working through all levels of the organization. When you work in silos, upstream and downstream impacts don’t matter. When you work collaboratively, you think about the cross-functional impact of your actions. It’s thinking about what’s best for the big picture, which might not be the same as what’s best for the individual silo.

What were the biggest “ahas!” for you and your team while moving along the high-performance path?

The candor and receptivity exercise that we went through was very powerful. Each team member rated himself or herself on a scale of 1-10, on the questions: “How receptive am I to feedback?” and “How candid am I with others when giving feedback?” As each of us revealed our answers to the team, the GDS facilitator asked everyone to weigh in on the individual’s self-evaluation. It got everything on the table quickly. The one-on-one follow-up conversations to clear up differences between the self-evaluations and the perspectives of the other team members were extraordinary.

And what changes have you noticed in how your division operates day to day?

One significant change relates to looking at our overall processes from end to end and getting cross-functional work teams to solve problems collaboratively. Rather than have individual project teams—say, teams responsible for fixtures, store remodeling, or construction— fend for themselves to resolve an issue, we now have cross-functional leaders get together to look at it from the perspective of what’s best for the organization. We’re getting a better end product because of the broader, no-longer-siloed, perspectives and approach.

Assume that I’m a fly on the wall. What before-and-after changes would I notice in the top team’s behavior?

People don’t just sit and listen. You’d see greater engagement, team members more confidently expressing their opinions, and even disagreements. You’d notice more clarifying questions being asked and more productive conversations being held. You’d hear, “Hey, when you say this about an issue it seems that you are focused on X, when I think it might really be about Y. Tell me more about what you mean, because if you’re working on that issue, my team should be involved, not from a protect-the-sandbox perspective, but because I have resources that can help with the resolution.”

As a result of going through the high-performance journey, how has your HR role changed?

We’ve redefined our role from just being “HR” to being a strategic business partner. Some HR activities per se tend to be treated by line managers with the thinking, “I’ll get to those after I do my day job.” When an initiative is business led and driven, people pay attention because it matters to the business. Our focus in HR has become, “How do we help our leadership team to define and arrive at a place where they say, ‘This initiative or issue is important for the business. Yes, HR will provide the tools and resources, but the business owns and drives it.’”

What’s the biggest “lesson learned” going through the high-performance journey?

Changing the mind-set of the senior team from an individual focus to that of a “managing board of directors” has had a profound impact. It’s driven a lot of our decision making and collaborative behaviors. We “own” the organization. A team member may have specific responsibility, but if one team member fails, we all fail. We ask, “If this was our money on the table, how would we invest it to make our organization better?” 🌱



The “A” Factor

by Howard M. Guttman

Ask just about any senior executive to identify a keep-you-up-at-night organization challenge, and the answers you’ll get will undoubtedly include such issues as lack of strategic focus, decision-making lag time, silo thinking, conflict over resource allocation, and concerns about talent management and succession planning.

You might not hear the word “alignment,” but such issues are symptomatic of a fundamental lack of alignment or agreement about the organization: where it is heading and how to “play” within it. It’s a unique problem these days, given the competing forces that push and pull the modern enterprise in different directions: globalization, matrixed structures, hurry-up decision making, virtual teams, hyperactivity--you name it. Unmanaged, these forces sap an organization of focus and energy, waste precious resources, and lead to internecine rivalry and conflict.

A while ago, a major oil company’s Canadian floundering. Sales were plummeting, and competitors were eating away at the company’s market share. Needed investments in exploration and distribution could not be made. The top team was divided, with Production, Distribution, and Marketing each and, not surprisingly, with each vying for a bigger share of a diminished pie. The senior team’s lack of agreement soon became reflected in a free-for-all that trickled down through the organization. Relations with the national and provincial governments became strained, as regional executives issued contradictory statements about the company’s intentions.

Like many organizations, the leaders in this company failed to answer a fundamental question: *How do we keep our organization focused without diminishing the creativity and drive essential for building value and long-term success?*

The leaders with whom we work have an answer: alignment. As Patrick Parenty, president, L’Oréal USA’s Professional Products Division and SalonCentric, once observed, “If you have an organization in which strategy, business priorities, and roles and responsibilities are in sync, and your people believe in and live by the same culture of high performance—enterprise-wide thinking, accountability, transparency, and a focus on results—then you are equipped to outpoint competitors in good and bad times.”

”Alignment is...about reframing patterns of interaction.”

To test how aligned your organization is, begin by examining the senior team and asking these five questions:

- Do we have a clear business strategy, and how committed are we to achieving it?
- Do key operational goals flow from the strategy, and do these goals drive day-to-day decision making?
- Are we clear on roles and accountabilities?
- What agreed-upon ground rules do we play by as a team?
- Are business relationships built on honesty, candor, and transparency?

In the process of grappling with answers to these alignment questions, the senior team in effect reinvents itself. It establishes a solid business case for its existence and acquires three crucial elements:

- A winning mind-set: Winning becomes team, not function, based; accountability goes beyond individual and function to the team, leader, and enterprise; willingness to coach one another and “go there” with colleagues shifts the focus from “me only” to team actualization.
- The right skill set: Acquiring, using, and reinforcing the right leadership and interpersonal skills, such as influencing, active listening, assertion, and conflict management, enables team members to move from mind-set to behavior change.
- Protocols: Agreed-upon ways of working, ranging from decision making to conflict resolution to meeting management, reinforce high-performance behavior.

Alignment is less about reengineering formal structures than resetting what it means to be a player in an organization—an owner, not a hired hand. And, it’s about reframing patterns of interaction—decision-making responsibility is distributed; silo thinking gets wiped away; and feedback up, down, and across the organization becomes a built-in expectation

Alignment begins with the senior team, but it doesn’t end there. Once the senior team grapples with the five alignment questions; absorbs the values of the high-performance, horizontal model; and routinely begins to walk the talk, then it’s time to raise—and come to terms with—the same alignment questions, level to level and function to function, throughout the organization. This “multi-tier” and cross-functional process is key to achieving full organizational alignment.

Alignment is not simply a vertical process for developing a “clear line of sight” from top to bottom throughout the organization, as many management thinkers suggest. Much of the action in the modern enterprise cuts across the organization, as information and decision-making patterns flow horizontally and not just vertically and as cross-functional teams operate interdependently within a matrixed environment. High performance requires being aligned not only up and down, but across the organization.

At the end of the day, Wall Street investors and other stakeholders don’t give brownie points for alignment per se. Value is created by people in an organization working together to best competitors and consistently deliver outstanding business results. Alignment is a vehicle for developing a horizontal, high-performance context in which everyone works together: owns, leads, questions, challenges, innovates, solves problems, makes decisions, and plans—all as a seamless, goal-driven, capable enterprise.

Pure and simple, an aligned organization harnesses everyone’s collective energy to ensure that it remains fiercely competitive, delivers rapid results, and creates lasting value. 🍌



From a Consultant's Notebook

Cindy Herman

Here are the field notes from an intervention led by Guttman Associate Senior Consultant Cindy Herman.

Presenting Situation

A global leader in consumer-goods manufacturing was growing rapidly, primarily through acquisitions....The organization's top team embraced the horizontal, high-performance approach....Wanted to elevate the leadership and high-performance behaviors of the next tier to better manage growth and change....Lots of functional, silo thinking within that tier....Communications breakdowns....Needed to consistently model company values and attributes of high-performance players....Not thinking enterprise wide or sensitive to interdependencies....Increased ownership and collaboration a "must" across the organization....The corporate strategy was clear.... Now had to focus on shifting behavior to get there.

Charter for Guttman

Accelerate the movement of the level below top tier toward the horizontal, high-performance model.... Teams here needed to become Stage 3- and 4-level players and role models of high-performance behaviors and company values....Also needed to shift focus to become more strategic....Everyone needed to personally assess where they saw themselves vis- à-vis the required behaviors and where they needed to take up their game....Had to leverage strengths and develop new habits.... "Will and skill" and personal ownership were going to be keys to success.

Process

Met with CEO and SVP of HR to set objectives, deliverables, and rollout....Vehicle of choice for the top 50 leaders was the "Coach Yourself to Win" self-coaching workshop, segmented into 4 modules....Key goal: Determine what participants needed to do to become Stage-4, high-performance players....Program kickoff: Overview by CEO and SVP of HR set expectations and program strategy.... Focused on a discussion of the attributes of high-performance teams....Wanted to establish the norms to guide leaders of next tier and help them benchmark their behavior.... Participants segmented into 5 cohort groups, each led by a GDS consultant.... After individual assessments, participants met with their managers to close the gaps between high-performance norms/actual behavior....7-step self-coaching process used to help

participants set Intentions, solicit feedback from their "Guides" and "Circle of Support," create development plans that were aligned with company goals and performance appraisals, close gaps and accelerate their game....After second and fourth modules, participants coached by GDS consultants....Also, active listening, giving and getting feedback, and coaching competencies transferred to enable participants to operate differently across the organization—and support the development of their peers and direct reports.... Review and recalibration session planned 6 months out to ensure sustained progress and ROI.

Results

Process led to personal transformation, along with reframing of mind-sets to be more enterprise- and less silo-oriented and more in sync with company values....Confidence boosted.... Provided a proven strategy, process, and skills to "win" as high-performance players....Trust and transparency spiked, along with candor and receptivity to feedback....Greater collaboration across executive and leadership teams...Moving from more transactional to deeper relationships across the board.

Key Insights

Building momentum together across the top tiers of an organization is very powerful. You build a common framework and language for development and success....Mutual support is a great catalyst for driving up business results....Provide executives with a structured process, a safe, supportive environment, and coaching, and they will express their vulnerabilities and learn to lead with greater effectiveness. The self-coaching process complements the high-performance alignment process. Tying together personal and professional development with horizontal, high-performance ways of working enables leaders to live the attributes of high-performance players. 🍌