



IMC RAMKRISHNA BAJAJ
NATIONAL QUALITY AWARD



BUSINESS

Criteria for
Performance Excellence

LETTER FROM THE
CHAIRMAN:
IMC Ramkrishna Bajaj
National Quality Award Trust



To: Manufacturing Organizations; Service Organizations; Educational Institutions; Healthcare Institutions

Dear Friends,

Welcome to the IMC Ramkrishna Bajaj National Quality Award (IMC RBNQA) 2024 Criteria Manual.

As you are aware, over the past 28 years, the focus of the IMC RBNQA Model has evolved from a basic *Managing for Quality* to a competitive *Quality of Management*. In other words, to *Performance Excellence*.

This IMC RBNQA Manual serves as a Primer for systematically building the Infrastructure for Performance Excellence.

Currently, the most significant elements that differentiate the IMC RBNQA Model for Performance Excellence are:

- *Customer Focus: External Customers; Internal Customers; Community; and Mother Nature.*
- *Strategic Planning: Vision Deployment.*
- *Executive Leadership: Practicing Principle-Driven Values.*
- *Excellence Culture: Organization-wide Habit of Improvement and Organization-wide Habit of Innovation*
- *Results: Significant focus on 3Ps (Planet / People / Profit).*

These elements have been woven into the IMC RBNQA Criteria.

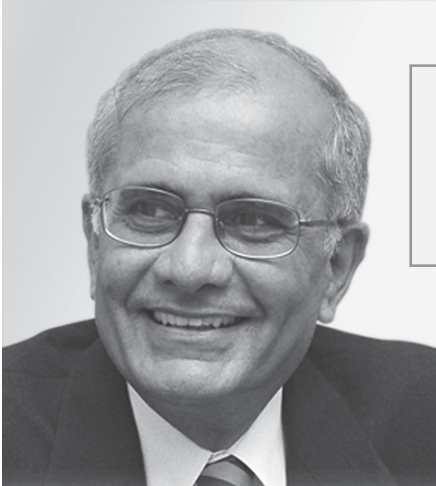
Over the years, a big lesson we have learned is that the pre-requisite for building a Performance Excellence Framework, in any Organization / Institution, is: Top-Down Commitment. There is no alternative.

In conclusion, I wish to invite your Organization / Institution to participate in the IMC RBNQA 2024 cycle. A team of dedicated Certified Examiners will conduct a thorough assessment of your Application. In return they will share with you the *Harvested Best Practices*, as well as *Opportunities for Improvement*, in a confidential Feedback Report.

Collectively, we can make the brand **MADE IN INDIA** a world-class asset.

Best wishes,

Niraj Bajaj
Chairman, IMC RBNQA Trust



LETTER FROM THE CO-CHAIRMAN: IMC Performance Excellence Committee

To: Manufacturing Organizations; Service Organizations;
Educational Institutions, Healthcare Institutions.

Welcome to the IMC Ramkrishna Bajaj National Quality Award (IMC RBNQA) 2024 Criteria for Performance Excellence. The catalyst for building the brand **MADE IN INDIA**.

Demystified, the IMC RBNQA Performance Excellence Criteria have the following Seven Features:

- Quality Definition: Fitness for Use.
- Customer Focus: External Customer; Internal Customer; Community; Mother Nature.
- Customer Satisfaction = Customer Perception / Customer Expectation.
- Habit of Left-Brain Process Improvement – Logical Thinking
- Habit of Right-Brain Process Innovation – Creative Thinking
- Cost Of Poor Quality (COPQ) Reduction
- Higher Revenue.

These Seven Features are explained to Applicant Organizations / Institutions in workshops conducted by Senior Trainers when the annual cycle begins.

Additionally, Applicant Organizations / Institutions are explained on “How to Write an Application?” by Senior Trainers or Certified Examiners.

Organizations / Institutions submit Applications in a prescribed format. A multi-disciplinary Team of Certified Examiners is selected for each Applicant. Each Team adheres to the following Four Stage Process:

- Individual Assessment
- Consensus Meeting, to converge on a Team Score
- Site Visit, for Clarifications and Verifications of Issues raised in the Consensus Meeting
- Feedback Report highlighting *Harvested Best Practices* and *Opportunities for Improvement*.

The Scoring Guidelines explained in this IMC RBNQA Criteria Manual, serve as a Compass for Implementing Performance Excellence in an Organization / Institution.

Also, the Scoring Guidelines are used by the Examiners for Assessing an Application in all Four Stages of the Assessment Process.

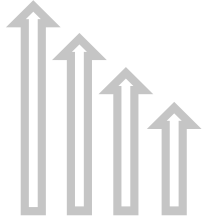
All this formality is essential to appreciate the obvious and latent Best Practices resident in an Organization / Institution.

On behalf of the IMC RBNQA Trust, Senior Trainers and Certified Examiners I wish to invite your Organization / Institution to participate in the IMC RBNQA 2024 cycle. It promises to be an exciting *Voyage of Discovery* and a *Celebration of Best Practices*.

A handwritten signature in black ink, reading 'Suresh Lulla'.

Suresh Lulla

Co-Chairman, IMC Performance Excellence Committee



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Core Values and Concepts

The IMC RBNQA Core Values and Concepts are beliefs and behaviors embedded in high-performing organizations.

The Criteria are built on the following set of interrelated core values and concepts:

- Systems perspective
- Visionary leadership
- Customer-focused excellence
- Valuing people
- Organizational learning and agility
- Focus on success & sustainability
- Managing for innovation
- Management by fact
- Societal contributions
- Ethics and transparency
- Delivering value and results
- Climate Change Consciousness

They are the foundation for integrating key performance and operational requirements within a results-oriented framework that creates a basis for action, feedback, and organizational sustainability.

Systems Perspective

A systems perspective means managing all the components of your organization as a unified whole to achieve your mission, ongoing success, and performance excellence. A systems perspective also means managing your organization within the context of an interconnected ecosystem of organizations that presents opportunities for new and possibly innovative relationships.

Successfully managing overall organizational performance requires realization of your

organization as a system with interdependent operations. Organization-specific synthesis, alignment, and integration make the internal system successful. *Synthesis* means understanding your organization as a whole. It incorporates key business attributes, including your core competencies, strategic objectives, action plans, work systems, and workforce needs. *Alignment* means using key organizational linkages to ensure consistency of plans, processes, measures, and actions. *Integration* builds on alignment, so that the individual components of your performance management system operate in a fully interconnected, unified, and mutually beneficial manner to deliver anticipated results.

In addition, your organization exists within a business ecosystem—a network of organizations, including your partners, suppliers, collaborators, competitors, customers, communities, and other relevant organizations inside and outside your sector or industry. Within this larger system, roles between organizations may be fluid as opportunities arise and needs change. For your business ecosystem, *synthesis* means understanding your organization as part of a larger whole. It incorporates the key attributes that you contribute to and need from your partners, collaborators, competitors, customers, communities, and other relevant organizations. When your organization takes a systems perspective, your senior leaders focus on strategic directions and customers. Your senior leaders monitor, respond to, and manage performance based on your results. With a systems perspective, you use your measures, indicators, core competencies, and organizational knowledge to build your key strategies, link these strategies

with your work systems and key processes, manage risk, and align your resources to improve your overall performance and your focus on customers and stakeholders. The core values and concepts, the seven Criteria categories, and the scoring guidelines are the system's building blocks and integrating mechanism.

Visionary Leadership

Your organization's senior leaders should set a vision for the organization, create a customer focus, demonstrate clear and visible organizational values and ethics, and set high expectations for the workforce. The vision, values, and expectations should balance the needs of all your stakeholders. Your leaders should also ensure the creation of strategies, systems, and methods for building knowledge and capabilities, stimulating innovation, managing risk, accountability, achieving performance excellence, and ensuring ongoing organizational success.

The values and strategies leaders defined should help guide all of your organization's activities and decisions, including factors related to environmental and occupational health & safety. Senior leaders should inspire and encourage our entire workforce to contribute, to develop and learn, to be innovative, and to embrace meaningful change. Senior leaders should be responsible to your organization's governance body for their actions and performance, and the governance body should be responsible ultimately to all your stakeholders for your organization's and its senior leaders' ethics, actions, and performance.

Senior leaders should serve as role models through their ethical behavior and their personal involvement in planning, communicating, coaching the workforce, developing future leaders, reviewing organizational performance, and recognizing members of your workforce. As role models, they can reinforce ethics, values, and expectations while building leadership, commitment, and initiative throughout your organization. Senior leaders should demonstrate authenticity and acknowledge their missteps and identify opportunities for improvement.

Customer-Focused Excellence

Your customers are the ultimate judges of your performance and the quality of your products and services. Thus, your organization must consider all

product and service features and characteristics and all modes of customer access and support that contribute value to your customers. Such behavior leads to customer acquisition, satisfaction, preference, and loyalty; positive referrals; and, ultimately, the ongoing success of your business. Customer-focused excellence has both current and future components: understanding today's customer desires and anticipating future customer desires and marketplace potential.

Many factors may influence value and satisfaction over the course of your customers' experience with your organization. These factors include your organization's customer relationship management, which helps build trust, confidence, and loyalty. Customer-focused excellence means much more than reducing defects and errors, merely meeting specifications, or reducing complaints. Nevertheless, these factors contribute to your customers' view of your organization and thus are also important parts of customer-focused excellence. In addition, your success in recovering from defects, service errors, and mistakes is crucial for retaining customers and engaging them for the long term. The security and privacy of customer information are necessary attributes for customer retention.

A customer-focused organization addresses not only the product and service characteristics that meet basic customer requirements but also those unique features and characteristics that differentiate the organization from competitors. This differentiation may be based on innovative offerings, combinations of product and service offerings, price, customized offerings, multiple access and outward communication mechanisms, rapid response, or special relationships, such as participation in alliances or collaborative networks of organizations that drive efficiency, effectiveness, and innovation.

Customer-focused excellence is thus a strategic concept. It is directed toward customer acquisition, retention and loyalty, stronger brand recognition, market share gain, and growth. It demands constant sensitivity to changing and emerging customer and market requirements and to the factors that drive customer engagement. It demands close attention to the voice of the customer. It demands anticipating changes in the marketplace. Therefore, customer-focused excellence demands

a customer-focused culture and organizational agility.

Successful organizations also view Mother Earth (or Planet Earth) as its customer, thereby focusing on improving the environment.

Valuing People

An organization's success depends on an engaged workforce that benefits from meaningful work, clear organizational direction, the opportunity to learn, and accountability for performance. That engaged workforce must also have a safe, trusting, and cooperative environment. The successful organization has a culture of inclusion that capitalizes on the diverse backgrounds and characteristics, knowledge, skills, creativity, and motivation of its workforce, partners, and collaborators.

Such an organization values all people who have a stake in the organization, including customers,

offering flexible work practices that are tailored to varying workplace and life needs. Major challenges in valuing your workforce members include :

- (1) demonstrating your leaders' commitment to their success, (2) providing motivation and recognition that go beyond the regular compensation system, (3) offering development and progression within your organization, (4) sharing your organization's knowledge so that your workforce can better serve your customers and contribute to achieving your strategic objectives, (5) creating an environment that encourages intelligent risk taking to achieve innovation, (6) developing a system of workforce and organizational accountability for performance, and (7) creating an inclusive environment for a diverse workforce.

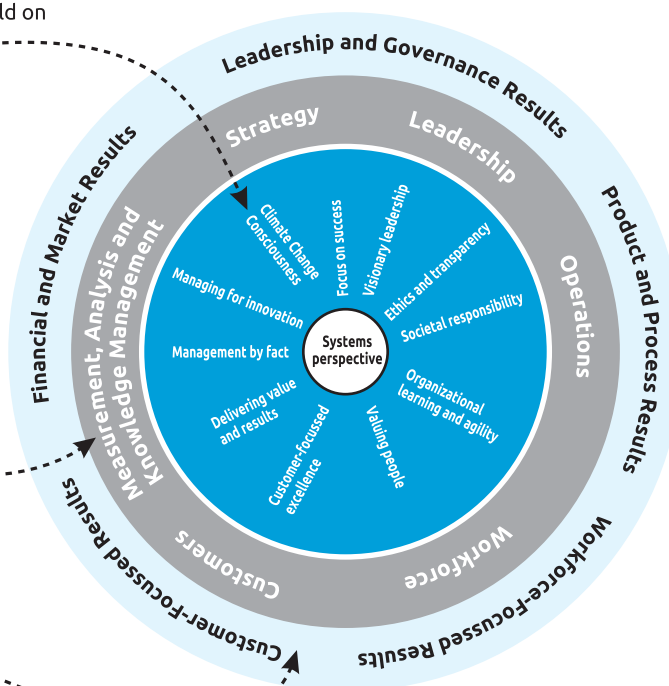
The success of your workforce members—including your leaders – depends on their having

The Role of Core VALUES and Concepts

The IMCRBNQA Criteria build on **core values and concepts**...

which are embedded in **systematic processes...**
(Criteria categories 1-6)

yielding **performance results.**
(Criteria category 7)



community members, stockholders, and other people affected by the organization's actions. Valuing the people in your workforce means committing to their engagement, development, and well-being. Increasingly, this may involve

opportunities to learn. This learning includes preparing people for future organizational core competencies. On-the-job training offers a cost-effective way to cross-train and to link training more closely to your organization's capacity needs

and priorities. If your organization relies on volunteers, their personal development and learning is also important to consider.

To accomplish their overall goals, successful organizations build internal and external partnerships and multilateral alliances with people and with other organizations. Internal partnerships might include cooperation between labor and management. Forming internal partnerships might also involve creating network relationships among people across work units and locations or between employees and volunteers to improve flexibility, responsiveness, and knowledge sharing.

As products and services become more and more multidisciplinary, organizations may need new alliances, partnership arrangements, consortia, value networks, and business models to accomplish their goals. All of these arrangements can contribute to your organization's ongoing success.

Organizational Learning and Agility

Success in today's ever-changing, globally competitive environment demands continual organizational learning and agility. Agility requires a capacity for rapid change and for flexibility in operations. Organizations face ever-shorter cycles for introducing new or improved products and services, and nonprofit and government organizations are increasingly being asked to respond rapidly to new or emerging issues. Disruptive events are occurring more frequently, triggered by innovative technologies or product, introductions, economic upheaval or stress, major weather events, or social or societal demands. Organizations must be capable of managing risk and making transformational changes on an ever-shorter cycle time. Major improvements in response times often require new work systems, the simplification of work processes, agile supplier and partner networks, or the ability for rapid changeover from one process or one location to another. A cross-trained and empowered workforce, an effective management and a continuously updated organizational knowledge are vital assets in such a demanding environment.

Organizational learning includes both continuous improvements of existing approaches and significant change or innovation, leading to new goals, approaches, products, and markets. Learning needs to be embedded in the way your organization

operates. This means that learning (1) is a regular part of daily work; (2) results in solving problems at their source (root cause); (3) is focused on building and sharing knowledge throughout your organization; and (4) is driven by opportunities to effect significant, meaningful change and to innovate. Sources for learning include employees' and volunteers' ideas, research and development, customers' input, best-practice sharing, competitors' performance, and benchmarking.

Organizational learning can result in (1) enhanced value to customers through new and improved products and customer services; (2) the development of new business opportunities; (3) the development of new and improved processes or business models; (4) reduced errors, defects, waste, and related costs; (5) increased productivity and effectiveness in the use of all your resources; (6) enhanced performance in making societal contributions; and (7) greater agility in managing change and disruption.

A major success factor in meeting competitive challenges are design-to-introduction time (the time it takes to initiate a product or service feature) or innovation cycle time. To meet the demands of rapidly changing markets, your organization needs to carry out stage-to-stage integration of activities from research or concept to commercialization or implementation.

All aspects of time performance are now more critical, and cycle time is a key process measure. Other important benefits can be derived from this focus on time; time improvements often drive simultaneous improvements or changes in your work systems, IT enabled digitization processes, organization, quality, cost, supply-network integration, productivity, and ongoing success in a challenging economy.

Organizational learning and agility can also be achieved through strategic partnerships or alliances, which might offer complementary core competencies that, allow entry into new markets or a basis for new products or services. Partnerships and alliances might also permit you to address common issues by blending your organization's core competencies or leadership capabilities with other organizations' complementary strengths and capabilities, creating a new source of strategic advantage. The result may be broad, interdependent collaborative networks that

include traditional partners and collaborators as well as competitors, customers, communities, and organizations outside the sector or industry.

Focus on Success and Sustainability

Ensuring your organization's success now and in the future requires an understanding of the short- and longer-term factors that affect your organization and its marketplace. Ensuring this ongoing success requires managing uncertainty in the environment, as well as balancing some stakeholders' short-term demands with the organization's and stakeholders' needs to invest in long-term success. The pursuit of sustained growth and performance leadership requires a strong future orientation and a willingness to make long-term commitments to key stakeholders – your customers, workforce, suppliers, partners, and stockholders; the public; and the community. It also requires the agility to modify plans, processes, and relationships when circumstances warrant.

Your organization's planning and resource allocation should anticipate many factors, such as customers' short- and long-term expectations; new business models; new collaboration and partnering opportunities; potential crises, including changing economic conditions; workforce capacity and capability needs; the competitive global marketplace; technological developments; security and cybersecurity risks; changes in customer and market segments; new business models; evolving regulatory requirements; changes in community and societal expectations and needs; and strategic moves by competitors. Your strategic objectives and resource allocations need to accommodate these influences. A focus on success includes developing your leaders, workforce, and suppliers; accomplishing effective succession planning; creating a supportive environment for taking intelligent risks and encouraging innovation; and anticipating areas for societal contributions and societal concerns including care for environment and people's health & safety.

Managing for Innovation

Innovation means making meaningful change to improve your organization's products, services, programs, processes, operations, and business model, with the purpose of creating new value for stakeholders. Innovation should lead your

organization to new dimensions of performance. Innovation requires a supportive environment, a process for identifying strategic opportunities, and the pursuit of intelligent risks. Innovation and incremental continuous improvement are different, but complementary, concepts. Successful organizations use both approaches to improve performance.

Innovation is no longer strictly the purview of research and development departments; innovation is important for all aspects of your operations and all work systems and work processes. Your organization should be led and managed so that identifying strategic opportunities and taking intelligent risks become part of the learning culture. Innovation should be integrated into daily work and be supported by your performance improvement system. Systematic processes for identifying strategic opportunities should reach across your entire organization and should explore strategic alliances with complementary organizations and with organizations that have historically not been a part of your collaborative network.

Innovation may arise from adapting innovations in other industries to achieve a breakthrough in your industry. It builds on the accumulated knowledge of your organization and its people and the innovations of partners, collaborators, competitors, customers, and other relevant organizations. It may involve collaboration among people who do not normally work together and are in different parts of the organization, as well as people in different organizations within a collaborative network. Therefore, the ability to rapidly disseminate and capitalize on new and accumulated knowledge is critical to driving organizational innovation.

Management by Fact

Management by fact requires you to measure and analyze your organization's performance, both inside the organization and in your competitive environment. Measurements should derive from business needs and strategy, and they should provide critical data and information about key processes, outputs, results, outcomes, and competitor and industry performance. Organizations need many types of data and information to effectively manage their

performance. Data and information may come in many forms, such as numerical, graphical, or qualitative, and from many sources, including internal processes, surveys, and the Internet (including social media). Performance measurement should include measurement of customer, product, and process performance; comparisons of operational, market, and competitive performance; supplier, workforce, partner, cost, Environmental improvements, occupational health & safety improvements; and financial performance; governance and compliance results; and accomplishment of strategic objectives.

A major consideration in performance improvement and change management is the selection and use of performance measures or indicators. *The measures or indicators you select should best represent the factors that lead to improved customer, operational, financial, and societal performance. A comprehensive yet carefully culled set of measures or indicators tied to customer and organizational performance requirements provides a clear basis for aligning all processes with your organization's goals.* You may need measures and indicators to support you in making decisions in a rapidly changing environment. By analyzing data from your tracking processes, you can evaluate the measures or indicators themselves and change them to better support your goals.

Analysis means extracting larger meaning from data and information to support evaluation, decision making, improvement, and innovation. It entails using data to determine trends, projections, and cause-and-effect relationships that might not otherwise be evident. Analysis supports a variety of purposes, such as planning, reviewing your overall performance, improving operations, comparing your performance with competitors' or with best-practice benchmarks, and managing change. To facilitate analysis, data may need to be aggregated from various sources. Data may also need to be segmented by, for example, markets, product lines, and workforce groups to gain deeper understanding.

Societal Contributions

Your organization's leaders should stress contributions to the public and the consideration of societal well-being and benefit. Leaders should be role models for your organization and its

workforce in the protection of public health, safety, and the environment. This protection applies to any impact of your organization's operations, as well as the life cycles of your products. Also, your organization should emphasize resource conservation, recycling, and waste reduction at the source. Planning should anticipate adverse impacts from the production, distribution, transportation, use, and disposal of your products. Effective planning should reduce or prevent problems; provide for a forthright response if problems occur; and make available the information and support needed to maintain public awareness, safety, and confidence.

Your organization should meet all local, state, and federal laws and regulatory requirements and should also treat these and related requirements as opportunities to excel beyond minimal compliance. Considering societal well-being and benefit means leading and supporting the environmental, social, and economic systems in your organization's sphere of influence. Such leadership and support might include improving education, health care, and other services in your community; pursuing environmental excellence; being a role model for socially important issues; practicing resource conservation; reducing your carbon footprint; performing community service and charity; improving industry and business practices; and sharing nonproprietary information.

For a role-model organization, leadership also entails influencing other organizations, private and public, to partner for these purposes. Managing societal contributions requires your organization to use appropriate measures and your leaders to assume responsibility for those measures.

Ethics and Transparency

Your organization should stress ethical behavior in all stakeholder transactions and interactions. Your organization's governance body should require highly ethical conduct and monitor all conduct accordingly. Your senior leaders should be role models of ethical behavior and make their expectations of the workforce very clear.

Your organization's ethical principles are the foundation for your culture and values. They distinguish right from wrong. Clearly articulated ethical principles, along with your organizational values, empower your people to make effective

decisions and may serve as boundary conditions for determining organizational norms and prohibitions.

Transparency is characterized by consistently candid and open communication, accountability, and the sharing of clear and accurate information by leadership and management. The benefits of transparency are manifold. Transparency is a key factor in workforce engagement and allows people to see why actions are being taken and how they can contribute. Transparency and accountability are also important in interactions with customers and other stakeholders, giving them a sense of involvement, engagement, and confidence in your organization.

Ethical behavior and transparency build trust in the organization and its leaders and engender a belief in the organization's fairness and integrity that is valued by all key stakeholders.

Delivering Value and Results

By delivering and balancing value for key stakeholders, your organization builds loyalty, contributes to growing the economy, and contributes to society. To meet the sometimes conflicting and changing aims that balancing value requires your organizational strategy should explicitly include key stakeholder requirements. This will help ensure that plans and actions meet differing stakeholder needs and avoid adverse impacts on any stakeholders. A balanced composite of leading and lagging performance measures is an effective means to communicate short- and longer-term priorities, monitor actual performance, and provide a clear basis for improving results.

Your organization's performance measurements need to focus on key results. Results should be used to deliver and balance value for your key stakeholders – your customers, workforce, stockholders, suppliers, partners, and collaborators; the environment, people's health & safety, the public; and the community. Thus results need to be a composite of measures that include not just financial results, but also product and process results; customer and workforce satisfaction and engagement results; and leadership, strategy, and societal performance.

Climate Change Consciousness

Your senior leaders should recognize that their responsibility goes beyond the boundaries of your organization, the immediate business ecosystem and network of organizations in your opportunity space.

Your leaders look at the planet as the first and final customer that all organizations jointly inhabit and serve, and not as a resource for profit extraction. They recognize and respect the rights of all cohabitants of the planet which include all life forms – humans, animals, plants, marine life, birds, insects and all other organisms. They have deep understanding and concern for the fragile biosphere that all organizations currently operate in. They understand that business as usual could have sustainability implications.

They recognize that organizational performance and long term sustainability depends on their proactive climate action. A vital step towards eliminating adverse environmental impact of their operations should include policies, budgets and plans for risk reduction and mitigation against accelerating climate hazards such as floods, droughts, erratic rainfall, extreme temperature, air pollution etc.

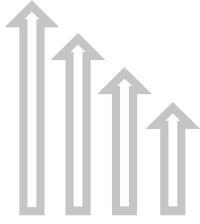
They create necessary mechanisms for effective emergency response, mitigation efforts and implementation of climate change related health and safety advisories.

They proactively determine the stated and emerging concerns of customers, workforce and the community and take appropriate measures to embed environmental, social and governance (ESG) factors in the performance of the organization.

They accept that all organizational processes need to have 'Planet Friendly Initiatives'. They track, monitor, review and improve all results on these Planet Friendly initiatives.

They proactively collaborate with other organizations, institutions and government authorities to develop a multi-sector and multi-pronged approach to tackle climate change.

They go beyond what is mandated by the law of the land and become environmental advocates and role models for environmental consciousness, thus assuming responsibility for the entire biosphere.



Glossary of Key Terms

The terms below are those in small caps in the IMC RBNQA Criteria for Performance Excellence and scoring guidelines. Each term is followed by a definition in boldface. The rest of the first paragraph elaborates on this definition. The paragraphs that follow provide examples, descriptive information, or key linkages to other information in the IMC RBNQA framework.

ACTION PLANS

Specific actions that your organization takes to reach its strategic objectives. These plans specify the resources committed to and the time horizons for accomplishing the plans. Action plan development is the critical stage in planning when you make strategic objectives and goals specific so that you can effectively deploy them throughout the organization in an understandable way. In the Criteria, deploying action plans includes creating aligned measures for all affected departments and work units.

Deployment might also require specialized training for some workforce members or recruitment of personnel.

For example, a strategic objective for a supplier in a highly competitive industry might be to develop and maintain price leadership. Action plans could entail designing efficient processes, creating an accounting system that tracks activity-level costs, and aligning processes and accounting systems across the organization. To deploy the action plans, the supplier might need to train work units and teams in setting priorities based on costs and benefits. Organizational-level analysis and review would likely emphasize productivity growth, cost control, and quality.

See also *strategic objectives* (Pg. 20).

ALIGNMENT

A state of consistency among plans, processes, information, resource decisions, workforce capability and capacity, actions, results, and analyses that support key organization-wide goals. Effective alignment requires a common understanding of purposes and goals. It also requires the use of complementary measures and information for planning, tracking, analysis, and improvement at three levels: the organizational level, the key process level, and the work unit level.

See also *integration* (Pg. 15).

ANALYSIS

The examination of facts and data to provide a basis for effective decisions. Analysis often involves determining cause-effect relationships. Overall organizational analysis guides you in managing work systems and work processes toward achieving key business results and attaining strategic objectives.

Although individual facts and data are important, they do not usually provide an effective basis for acting or setting priorities. Effective actions depend on an understanding of relationships, which is derived from the analysis of facts and data.

ANECDOTAL

In a response to a Criteria item, information that lacks specific methods; measures; deployment mechanisms; and evaluation, improvement, and learning factors. Anecdotal information frequently consists of examples and describes individual activities rather than systematic processes. For example, in an anecdotal response to how senior

leaders deploy performance expectations, you might describe a specific occasion when a senior leader visited all of your organization's facilities. On the other hand, in describing a systematic process, you might include the methods all senior leaders use to communicate performance expectations regularly to all locations and workforce members, the measures leaders use to assess the effectiveness of the methods, and the tools and techniques you use to evaluate and improve the methods.

See also *systematic* (Pg. 20).

APPROACH

The methods your organization uses to carry out its processes. Besides the methods themselves, approach refers to the appropriateness of the methods to the item questions and your organization's operating environment, as well as how effectively your organization uses those methods.

Approach is one of the factors considered in evaluating process items. For further description, see the Scoring System (pages 54–59).

BASIC QUESTION

The most central concept of a Criteria item, as presented in the item title question. For an illustration, see Criteria for Performance Excellence Structure (page 24).

BENCHMARKS

Processes and results that represent the best practices and best performance for similar activities, inside or outside your organization's industry. Organizations engage in benchmarking to understand the current dimensions of world-class performance and to achieve discontinuous (nonincremental) or "breakthrough" improvement.

Benchmarks are one form of comparative data. Other forms include industry data collected by a third party, data on competitors' performance, and comparisons with similar organizations that are in the same geographic area or that provide similar products and services in other geographic areas.

BIOSPHERE

Biosphere is the highest level of an ecological organization. It consists of the lithosphere

(outermost layer of the earth's crust), hydrosphere (water bodies including lakes, rivers, oceans and clouds), cryosphere (water in frozen form including glaciers, ice caps, ice sheets and sea/ river/ lake ice), and atmosphere (layer of air surrounding the planet).

The biosphere includes all living beings and their relationships, their interaction with the elements of the lithosphere, cryosphere, hydrosphere, and atmosphere. The biosphere has self-regulating systems that have evolved at least 3.5 billion years ago.

CAPABILITY, WORKFORCE

See *workforce capability* (Pg. 22).

CAPACITY, WORKFORCE

See *workforce capacity* (Pg. 22).

COLLABORATORS

Organizations or individuals who cooperate with your organization to support a particular activity or event or who cooperate intermittently when their short-term goals are aligned with or are the same as yours. Typically, collaborations do not involve formal agreements or arrangements.

See also *partners* (Pg. 17).

CLIMATE CHANGE

Climate Change refers to the variation in the Earth's global climate or in regional climates over time. It describes changes in the variability or average state of the atmosphere over time scales ranging from decades to millions of years. These changes can be caused by processes internal to the Earth, external forces (eg variations in sunlight intensity) or, more recently, human activity.

In recent usage, especially in the context of environmental policy, the term "**climate change**" often refers only to changes in modern climate, including the rise in average surface temperature known as global warming. In some cases, the term is also used with a presumption of human causation, as in the United Nations Framework Convention on **Climate Change** (UNFCCC).

CORE COMPETENCIES

Your organization's areas of greatest expertise; those strategically important, possibly specialized

capabilities that are central to fulfilling your mission or that provide an advantage in your marketplace or service environment. Core competencies are frequently challenging for competitors or suppliers and partners to imitate, and they may provide an ongoing competitive advantage or create opportunities in your business ecosystem. The absence of a needed core competency may result in a significant strategic challenge or disadvantage for your organization in the marketplace.

Core competencies may involve technological expertise, unique service offerings, a marketplace niche, or business acumen in a particular area (e.g., business acquisitions).

CUSTOMER

An actual or potential user of your organization's products, programs, or services (all referred to as products in the Criteria). Customers include the end users of your products, as well as others who are immediate purchasers or users, such as distributors, agents, or organizations that process your product as a component of theirs. The IMC RBNQA framework addresses customers broadly, referencing your current and future customers, as well as your competitors' customers.

Customer-focused excellence is a IMC RBNQA core value embedded in the beliefs and behaviors of high-performing organizations. Customer focus impacts and should be a factor in integrating your organization's strategic directions, work systems and work processes, and business results.

See also stakeholders for the relationship between customers and others who might be affected by your products (Pg. 19).

CUSTOMER ENGAGEMENT

Your customers' investment in or commitment to your brand and product offerings. It is based on your ongoing ability to serve their needs and build relationships so that they will continue using your products. Characteristics of engaged customers include retention, brand loyalty, willingness to make an effort to do business and increase their business with you, and willingness to actively advocate for and recommend your brand and product offerings.

CYCLE TIME

The time required to fulfill commitments or complete tasks. Cycle time refers to all aspects of time performance, such as time to market, order fulfillment time, delivery time, changeover time, customer response time, and other key measures of time. Improvement in cycle time might involve any or all of these.

Time performance and speed are important to improving competitiveness and overall performance.

DEPLOYMENT

The extent to which your organization applies an approach in addressing the questions in a Criteria item. Evaluation of deployment considers how broadly and deeply the approach is applied in relevant work units throughout your organization.

Deployment is one of the factors considered in evaluating process items. For further description, see the Scoring System (pages 54–59).

DIVERSITY

Personal differences among workforce members that enrich the work environment and are representative of your hiring and customer communities. These differences address many variables, such as race, religion, color, gender, national origin, disability, sexual orientation, age and generation, education, geographic origin, and skill characteristics, as well as ideas, thinking, academic disciplines, and perspectives.

The Criteria refer to valuing and benefiting from the diversity of your workforce hiring and customer communities. Capitalizing on both in building your workforce increases your opportunities for high performance; customer, workforce, and community satisfaction; and customer and workforce engagement.

EFFECTIVE

How well a process or a measure addresses its intended purpose. Determining effectiveness requires

- (1) evaluating how well the process is aligned with the organization's needs and how well it is deployed, or

(2) evaluating the outcome of the measure as an indicator of process or product performance.

EMPOWERMENT

Giving people the authority and responsibility to make decisions and take actions. When people are empowered, decisions are made closest to the front line, where work-related knowledge and understanding reside.

The purpose of empowering people is to enable them to satisfy customers on first contact, improve processes and increase productivity, and improve your organization's performance results, as well as to encourage collaboration. An empowered workforce requires information to make appropriate decisions; thus, your organization must provide that information in a timely and useful way.

ENGAGEMENT, CUSTOMER

See *customer engagement* (Pg. 13).

ENGAGEMENT, WORKFORCE

See *workforce engagement* (Pg. 22).

ETHICAL BEHAVIOR

The actions your organization takes to ensure that all its decisions, actions, and stakeholder interactions conform to its moral and professional principles of conduct. These principles should support all applicable laws and regulations and are the foundation for your organization's culture and values. They distinguish right from wrong.

Senior leaders should be role models for these principles of behavior. The principles apply to all people involved in your organization, from temporary workforce members to members of the board of directors. These principles benefit from regular communication and reinforcement. Although the IMC RBNQA framework does not prescribe a particular model for ensuring ethical behavior, senior leaders have the responsibility for the alignment of your organization's mission and vision with its ethical principles. Ethical behavior encompasses interactions with all stakeholders, including your workforce, shareholders, customers, partners, suppliers, and local community.

Well-designed and clearly articulated ethical principles empower people to make effective decisions with great confidence. In some

organizations, ethical principles also serve as boundary conditions restricting behavior that otherwise could have adverse impacts on your organization and/or society.

See also the related core value, Ethics and Transparency (page 9).

EXCELLENCE

See *performance excellence* (Pg. 18).

GOALS

Future conditions or performance levels that your organization intends or desires to attain. Goals can be both short and longer term. They are ends that guide actions. Quantitative goals, frequently referred to as targets, include a numerical point or range. Targets might be desired performance based on comparative or competitive data.

Stretch goals are goals for desired major, discontinuous (nonincremental) or "breakthrough" improvements, usually in areas most critical to your organization's future success.

Goals can serve many purposes, including

- clarifying strategic objectives and action plans to indicate how you will measure success,
- fostering teamwork by focusing on a common end,
- encouraging out-of-the-box thinking (innovation) to achieve a stretch goal, and
- providing a basis for measuring and accelerating progress.

See also *performance projections* (Pg. 18).

GOVERNANCE

The system of management and controls exercised in the stewardship of your organization. Governance includes the responsibilities of your organization's owners/shareholders, board of directors, and senior leaders. Corporate or organizational charters, bylaws, and policies document the rights and responsibilities of each of the parties and describe how they will direct and control your organization to ensure (1) accountability to owners/shareholders and other stakeholders, (2) transparency of operations, and (3) fair treatment of all stakeholders. Governance processes may include the approval of strategic direction, the monitoring and evaluation of the CEO's

performance, the establishment of executive compensation and benefits, succession planning, financial and other fiduciary auditing, risk management, disclosure, and shareholder reporting. Ensuring effective governance is important to stakeholders' and the larger society's trust and to organizational effectiveness.

HIGH PERFORMANCE

Ever-higher levels of overall organizational and individual performance, including quality, productivity, innovation rate, and cycle time. High performance results in improved service and value for customers and other stakeholders.

Approaches to high performance vary in their form, their function, and the incentive systems used. High performance stems from and enhances workforce engagement. It involves cooperation between the management and the workforce, which may involve workforce bargaining units; cooperation among work units, often involving teams; empowerment of your people, including personal accountability; and workforce input into planning. It may involve learning and building individual and organizational skills; learning from other organizations; creating flexible job design and work assignments; maintaining a flattened organizational structure, where decision making is decentralized and decisions are made closest to the front line; and effectively using performance measures, including comparisons. Many organizations encourage high performance with monetary and nonmonetary incentives based on factors such as organizational performance, team and individual contributions, and skill building. Also, approaches to high performance usually seek to align your organization's structure, core competencies, work, jobs, workforce development, and incentives.

HOW

The systems and processes that your organization uses to achieve its mission requirements. In responding to "how" questions in Criteria categories 1–6, you should include information on approach (methods and measures), deployment, learning, and integration.

INDICATORS

See *measures and indicators* (Pg. 17).

INNOVATION

Making meaningful change to improve products, processes, or organizational effectiveness and create new value for stakeholders. Innovation involves adopting an idea, process, technology, product, or business model that is either new or new to its proposed application. The outcome of innovation is a discontinuous or "breakthrough" improvement in results, products, or processes. Innovation benefits from a supportive environment, a process for identifying strategic opportunities, and a willingness to pursue intelligent risks.

Successful organizational innovation is a multistep process of development and knowledge sharing, a decision to implement, implementation, evaluation, and learning. Although innovation is often associated with technological innovation, it is applicable to all key organizational processes that can benefit from change through innovation, whether breakthrough improvement or a change in approach or outputs. Innovation could include fundamental changes in an organization's structure or business model to accomplish work more effectively.

See also *intelligent risks* and *strategic opportunities* (Pg. 15 and Pg. 20).

INTEGRATION

The harmonization of plans, processes, information, resource decisions, workforce capability and capacity, actions, results, and analyses to support key organization-wide goals. Effective integration goes beyond alignment and is achieved when the individual components of an organizational performance management system operate as a fully interconnected unit.

Integration is one of the factors considered in evaluating both process and results items. For further description, see the Scoring System (pages 54–59).

See also *alignment* (Pg. 11).

INTELLIGENT RISKS

Opportunities for which the potential gain outweighs the potential harm or loss to your organization's future success if you do not explore them.

Taking intelligent risks requires a tolerance for failure and an expectation that innovation is not achieved by initiating only successful endeavors. At the outset, organizations must invest in potential successes while realizing that some will lead to failure.

The degree of risk that is intelligent to take will vary by the pace and level of threat and opportunity in the industry. In a rapidly changing industry with constant introductions of new products, processes, or business models, there is an obvious need to invest more resources in intelligent risks than in a stable industry. In the latter, organizations must monitor and explore growth potential and change but, most likely, with a less significant commitment of resources.

See also *strategic opportunities* (Pg. 20).

KEY

Major or most important; critical to achieving your intended outcome. The Criteria, for example, refer to key challenges, plans, work processes, and measures – those that are most important to your organization's success. They are the essential elements for pursuing or monitoring a desired outcome. Key is generally defined as around the most significant five (e.g., around five key challenges).

KNOWLEDGE ASSETS

Your organization's accumulated intellectual resources; the knowledge possessed by your organization and its workforce in the form of information, ideas, learning, understanding, memory, insights, cognitive and technical skills, and capabilities. These knowledge assets reside in your workforce, software, patents, databases, documents, guides, policies and procedures, and technical drawings. Knowledge assets also reside within customers, suppliers, and partners.

Knowledge assets are the know-how that your organization has available to use, invest, and grow. Building and managing knowledge assets are key components of creating value for your stakeholders and sustaining a competitive advantage.

LEADERSHIP SYSTEM

The way leadership is exercised, formally and informally, throughout your organization; the basis

for key decisions and the way they are made, communicated, and carried out. A leadership system includes structures and mechanisms for making decisions; ensuring two-way communication; selecting and developing leaders and managers; and reinforcing values, ethical behavior, directions, and performance expectations.

An effective leadership system respects workforce members' and other stakeholders' capabilities and requirements, and it sets high expectations for performance and performance improvement. It builds loyalties and teamwork based on your organization's vision and values and the pursuit of shared goals. It encourages and supports initiative, innovation, and appropriate risk taking; subordinates organizational structure to purpose and function; and avoids chains of command that require long decision paths. An effective leadership system includes mechanisms for leaders to conduct self-examination, receive feedback, and improve.

LEARNING

New knowledge or skills acquired through evaluation, study, experience, and innovation. The IMCRBNQA framework refers to two distinct kinds of learning: organizational learning and learning by the people in your workforce. Organizational learning is achieved through research and development, evaluation and improvement cycles, ideas and input from the workforce and stakeholders, the sharing of best practices, and benchmarking. Workforce learning is achieved through education, training, and developmental opportunities that further individual growth.

To be effective, learning should be embedded in the way your organization operates. Learning contributes to a competitive advantage and ongoing success for your organization and workforce.

For further description of organizational and personal learning, see the related core values and concepts: Valuing People, and Organizational Learning and Agility (Pg. 6 and Pg. 7).

Learning is one of the factors considered in evaluating process items. For further description, see the Scoring System (Pages 54–59).

LEVELS

Numerical information that places or positions your organization's results and performance on a meaningful measurement scale. Performance levels permit evaluation relative to past performance, projections, goals, and appropriate comparisons.

MEASURES AND INDICATORS

Numerical information that quantifies the input, output, and performance dimensions of processes, products, programs, projects, services, and the overall organization (outcomes).

Measures and indicators might be simple (derived from one measurement) or composite.

The Criteria do not distinguish between measures and indicators. However, some users of these terms prefer "indicator" (1) when the measurement relates to performance but does not measure it directly (e.g., the number of complaints is an indicator but not a direct measure of dissatisfaction) and (2) when the measurement is a predictor ("leading indicator") of some more significant performance (e.g., increased customer satisfaction might be a leading indicator of market share gain).

MISSION

Your organization's overall function. The mission answers the question, "What is your organization attempting to accomplish?" The mission might define customers or markets served, distinctive or core competencies, or technologies used.

MULTIPLE QUESTIONS

The details of a Criteria item, as expressed in the individual questions under each lettered area to address. The first question in a set of multiple questions expresses the most important one in that group. The questions that follow expand on or supplement that question. For an illustration, see Criteria for Performance Excellence Structure (page 24).

Even high-performing, high-scoring users of the IMC RBNQA framework are not likely to be able to address all the multiple questions with equal capability or success.

OVERALL QUESTIONS

The most important features of a Criteria item, as elaborated in the first question (the leading question in boldface) in each paragraph under each lettered area to address. For an illustration, see Criteria for Performance Excellence Structure (page 24).

PARTNERS

Key organizations or individuals who are working in concert with your organization to achieve a common goal or improve performance. Typically, partnerships are formal arrangements for a specific aim or purpose, such as to achieve a strategic objective or deliver a specific product.

Formal partnerships usually last for an extended period and involve a clear understanding of the partners' individual and mutual roles and benefits.

See also *collaborators* (Pg. 12).

PERFORMANCE

Outputs and their outcomes obtained from processes, products, and customers that permit you to evaluate and compare your organization's results to performance projections, standards, past results, goals, and other organizations' results. Performance can be expressed in nonfinancial and financial terms.

The Criteria address four types of performance: (1) product, (2) customer-focused, (3) operational, and (4) financial and marketplace.

Product performance is performance relative to measures and indicators of product and service characteristics that are important to customers. Examples include product reliability, on-time delivery, customer-experienced defect levels, and service response time. For some service organizations, including nonprofit organizations, examples might include program and project performance in the areas of rapid response to emergencies, at-home services, or multilingual services.

Customer-focused performance is performance relative to measures and indicators of customers' perceptions, reactions, and behaviors. Examples include customer retention, complaints, and survey results.

Operational performance is workforce, leadership, and organizational performance (including ethical and legal compliance) relative to measures and indicators of effectiveness, efficiency, and accountability. Examples include cycle time, productivity, waste reduction, workforce turnover, workforce cross-training rates, regulatory compliance, fiscal accountability, strategy accomplishment, and community involvement. Operational performance might be measured at the work unit, key work process, and organizational levels.

Financial and marketplace performance is performance relative to measures of cost, revenue, and market position, including asset utilization, asset growth, and market share. Examples include returns on investments, value added per employee, debt-to-equity ratio, returns on assets, operating margins, performance to budget, the amount in reserve funds, cash-to-cash cycle time, other profitability and liquidity measures, and market gains.

PERFORMANCE EXCELLENCE

An integrated approach to organizational performance management that results in (1) delivery of ever-improving value to customers and stakeholders, contributing to ongoing organizational success; (2) improvement of your organization's overall effectiveness and capabilities; and (3) learning for the organization and for people in the workforce. The IMC RBNQA Organizational Profile, Criteria, core values and concepts, and scoring guidelines provide a framework and assessment tool for understanding your organization's strengths and opportunities for improvement and, thus, for guiding your planning toward achieving higher performance and striving for excellence.

PERFORMANCE PROJECTIONS

Estimates of your organization's future performance. Projections should be based on an understanding of past performance, rates of improvement, and assumptions about future internal changes and innovations, as well as assumptions about changes in the external environment that result in internal changes. Thus, performance projections can serve as a key tool in

managing your operations and in developing and implementing your strategy.

Performance projections state your *expected* future performance. Goals state your *desired* future performance. Performance projections for your competitors or similar organizations may indicate challenges facing your organization and areas where breakthrough performance or innovation is needed. In areas where your organization intends to achieve breakthrough performance or innovation, your performance projections and your goals may overlap.

See also *goals* (Pg. 14).

PLANET FRIENDLY INITIATIVES

Planet Friendly initiatives include resource saving and management, circular economy, environmental protection, ecosystem protection and recovery, water conservation and natural disaster prevention. They include nature based solutions and innovative thinking to address economic and societal challenges, providing benefits for both human well-being and biodiversity. Leaders engage workforce, customers and people in the ecosystem to challenge the status quo using creative idea generation for structured problem solving leading to breakthrough innovations.

PROCESS

Linked activities with the purpose of producing a product or service for a customer (user) within or outside your organization. Generally, processes involve combinations of people, machines, tools, techniques, materials, and improvements in a defined series of steps or actions. Processes rarely operate in isolation and must be considered in relation to other processes that impact them. In some situations, processes might require adherence to a specific sequence of steps, with documentation (sometimes formal) of procedures and requirements, including well-defined measurement and control steps.

In the delivery of services, particularly those that directly involve customers, process is used more generally to spell out what delivering that service entails, possibly including a preferred or expected sequence. If a sequence is critical, the process needs to include information that helps customers

understand and follow the sequence. Such service processes also require guidance for service providers on handling contingencies related to customers' possible actions or behaviors.

In knowledge work, such as strategic planning, research, development, and analysis, process does not necessarily imply formal sequences of steps. Rather, it implies general understandings of competent performance in such areas as timing, options to include, evaluation, and reporting.

Sequences might arise as part of these understandings.

Process is one of the two dimensions evaluated in a IMCRBNQA-based assessment. This evaluation is based on four factors: approach, deployment, learning, and integration. For further description, see the Scoring System (pages 54–59).

PRODUCTIVITY

Measures of the efficiency of resource use.

Although the term is often applied to single factors, such as the workforce (labor productivity), machines, materials, energy, and capital, the concept also applies to the total resources used in producing outputs. Using an aggregate measure of overall productivity allows you to determine whether the net effect of overall changes in a process possibly involving resource trade-offs is beneficial.

PROJECTIONS, PERFORMANCE

See *performance projections* (Pg. 18).

RESULTS

Outputs and outcomes achieved by your organization. Results are evaluated based on current performance; performance relative to appropriate comparisons; the rate, breadth, and importance of performance improvements; and the relationship of results measures to key organizational performance requirements.

Results are one of the two dimensions evaluated in a IMCRBNQA-based assessment. This evaluation is based on four factors: levels, trends, comparisons, and integration. For further description, see the Scoring System (pages 54–59).

SEGMENT

One part of your organization's customer, market, product offering, or workforce base. Segments typically have common characteristics that allow logical groupings. In Criteria results items, segmentation refers to disaggregating results data in a way that allows for meaningful analysis of your organization's performance. It is up to each organization to determine the factors that it uses to segment its customers, markets, products, and workforce.

Understanding segments is critical to identifying the distinct needs and expectations of different customer, market, and workforce groups and to tailoring product offerings to meet their needs and expectations. For example, you might segment your market based on distribution channels, business volume, geography, or technologies employed. You might segment your workforce based on geography, skills, needs, work assignments, or job classifications.

SENIOR LEADERS

Your organization's senior management group or team. In many organizations, this consists of the head of the organization and his or her direct reports.

STAKEHOLDERS

All groups that are or might be affected by your organization's actions and success. Key stakeholders might include customers, the workforce, partners, collaborators, governing boards, stockholders, donors, suppliers, taxpayers, regulatory bodies, policy makers, funders, and local and professional communities.

See also *customer* (Pg. 13).

STRATEGIC ADVANTAGES

Those marketplace benefits that exert a decisive influence on your organization's likelihood of future success. These advantages are frequently sources of current and future competitive success relative to other providers of similar products. Strategic advantages generally arise from either or both of two sources: (1) core competencies, which focus on building and expanding on your organization's

internal capabilities, and (2) strategically important external resources, which your organization shapes and leverages through key external relationships and partnerships.

When an organization realizes both sources of strategic advantage, it can amplify its unique internal capabilities by capitalizing on complementary capabilities in other organizations.

See *strategic challenges* and *strategic objectives* for the relationship among strategic advantages, strategic challenges, and the strategic objectives your organization articulates to address its challenges and advantages.

STRATEGIC CHALLENGES

Those pressures that exert a decisive influence on your organization's likelihood of future success. These challenges are frequently driven by your organization's anticipated competitive position in the future relative to other providers of similar products. While not exclusively so, strategic challenges are generally externally driven. However, in responding to externally driven strategic challenges, your organization may face internal strategic challenges.

External strategic challenges may relate to customer or market needs or expectations; product or technological changes; or financial, societal, and other risks or needs. Internal strategic challenges may relate to capabilities or human and other resources.

See *strategic advantages* and *strategic objectives* for the relationship among strategic challenges, strategic advantages, and the strategic objectives your organization articulates to address its challenges and advantages.

STRATEGIC OBJECTIVES

The aims or responses that your organization articulates to address major change or improvement, competitiveness or social issues, and business advantages. Strategic objectives are generally focused both externally and internally and relate to significant customer, market, product, or technological opportunities and challenges (strategic challenges). Broadly stated, they are what your organization must achieve to remain or become competitive and ensure its long-term

success. Strategic objectives set your organization's longer-term directions and guide resource allocation and redistribution.

See *action plans* (Pg. 11) for the relationship between strategic objectives and action plans and for an example of each.

STRATEGIC OPPORTUNITIES

Prospects for new or changed products, services, processes, business models (including strategic alliances), or markets. They arise from outside-the-box thinking, brainstorming, capitalizing on serendipity, research and innovation processes, nonlinear extrapolation of current conditions, and other approaches to imagining a different future.

The generation of ideas that lead to strategic opportunities benefits from an environment that encourages nondirected, free thought. Choosing which strategic opportunities to pursue involves consideration of relative risk, financial and otherwise, and then making intelligent choices (intelligent risks).

See also *intelligent risks* (Pg. 15).

SYSTEMATIC

Well-ordered, repeatable, and exhibiting the use of data and information so that learning is possible. Approaches are systematic if they build in the opportunity for evaluation, improvement, and sharing, thereby permitting a gain in maturity. To see the term in use, refer to the Process Scoring Guidelines (page 57).

TRENDS

Numerical information that shows the direction and rate of change of your organization's results or the consistency of its performance over time. Trends show your organization's performance in a time sequence.

Ascertaining a trend generally requires a minimum of three historical (not projected) data points. Defining a statistically valid trend requires more data points. The cycle time of the process being measured determines the time between the data points for establishing a trend. Shorter cycle times demand more frequent measurement, while longer cycle times might require longer periods for a meaningful trend.

Examples of trends called for by the Criteria and scoring guidelines include data on product performance, results for customer and workforce satisfaction and dissatisfaction, financial performance, marketplace performance, and operational performance, such as cycle time and productivity.

VALUE

The perceived worth of a product, process, asset, or function relative to its cost and possible alternatives.

Organizations frequently use value considerations to determine the benefits of various options relative to their costs, such as the value of various product and service combinations to customers. Your organization needs to understand what different stakeholder groups value and then deliver value to each group. This frequently requires balancing value among customers and other stakeholders, such as your workforce and the community.

VALUES

The guiding principles and behaviors that embody how your organization and its people are expected to operate. Values influence and reinforce your organization's desired culture. They support and guide the decisions made by every workforce member, helping your organization accomplish its mission and attain its vision appropriately. Examples of values include demonstrating integrity and fairness in all interactions, exceeding customer expectations, valuing individuals and diversity, protecting the environment, and striving for performance excellence every day.

VISION

Your organization's desired future state. The vision describes where your organization is headed, what it intends to be, or how it wishes to be perceived in the future.

VOICE OF THE CUSTOMER

Your process for capturing customer-related information. Voice-of-the-customer processes are intended to be proactive and continuously innovative to capture stated, unstated, and anticipated customer requirements, expectations, and desires. The goal is to achieve customer

engagement. Listening to the voice of the customer might include gathering and integrating various types of customer data, such as survey data, focus group findings, social media data and commentary, warranty data, marketing and sales information, and complaint data, that affect customers' purchasing and engagement decisions.

WORK PROCESSES

Your organization's most important internal value-creation processes. They might include product design, production, and delivery; customer support; supply-network management; business; and support processes. They are the processes that involve the majority of your organization's workforce and produce customer, stakeholder, and stockholder value.

Your key work processes are always accomplished by your workforce. They frequently relate to your core competencies, the factors that determine your success relative to competitors, and the factors your senior leaders consider important for business growth. In contrast, projects are unique work processes intended to produce an outcome and then go out of existence.

WORK SYSTEMS

The coordinated combination of internal work processes and external resources that you need to develop and produce products, deliver them to your customers, and succeed in your marketplace. Within your work systems, internal processes are those that involve your workforce. External resources may include processes performed by your key suppliers, partners, contractors, and collaborators, as well as other components of your supply network needed to produce and deliver your products and carry out your business and support processes. These internal processes and external resources function together to accomplish your organization's work.

Decisions about work systems are strategic, as you must decide whether to use internal processes or external resources for maximum efficiency and sustainability in your marketplace. These decisions involve protecting intellectual property, capitalizing on core competencies, and mitigating risk. The decisions you make have implications for your organizational structure, people, work processes, and equipment/technology.

WORKFORCE

All people actively supervised by your organization and involved in accomplishing your organization's work, including paid employees (e.g., permanent, part-time, temporary, on-site, and remote employees, as well as contract employees supervised by your organization) and volunteers, as appropriate. Your workforce includes team leaders, supervisors, and managers at all levels.

WORKFORCE CAPABILITY

Your organization's ability to accomplish its work processes through its people's knowledge, skills, abilities, and competencies.

Capability may include the ability to build and sustain relationships with customers; to innovate and transition to new technologies; to develop new products and work processes; and to meet changing business, market, and regulatory demands.

WORKFORCE CAPACITY

Your organization's ability to ensure sufficient staffing levels to accomplish its work processes and deliver your products to customers, including the ability to meet seasonal or varying demand levels.

WORKFORCE ENGAGEMENT

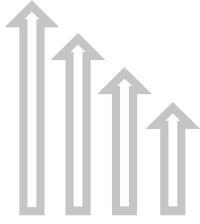
The extent of workforce members' emotional and intellectual commitment to accomplishing your

organization's work, mission, and vision. Organizations with high levels of workforce engagement are often characterized by high-performance work environments in which people are motivated to do their utmost for their customers' benefit and the organization's success.

In general, workforce members feel engaged when they find personal meaning and motivation in their work and receive interpersonal and workplace support. An engaged workforce benefits from trusting relationships, a safe and cooperative environment, good communication and information flow, empowerment, and accountability for performance. Key factors contributing to engagement include training and career development, effective recognition and reward systems, equal opportunity and fair treatment, and family-friendliness.

WORKPLACE CLIMATE

Workplace Climate is the perception of the work environment by the workforce. It is about the perception and feelings about the organization by the workforce. The workplace climate is influenced by the clarity and effective implementation of an organization's vision, mission, values, strategy, culture, performance management practices including leadership and managerial behavior. Workplace climate includes workplace environment and workforce benefits and policies. An enabling workplace climate positively influences workforce morale and productivity.



Point Values by Categories & Items

P	Organizational Profile	
	<i>P.1 Organizational Description</i>	
	<i>P.2 Organizational situation</i>	
	CATEGORIES AND ITEMS	POINT VALUES
1	Leadership	120
	<i>1.1 Senior Leadership [70]</i>	
	<i>1.2 Governance, Societal and Environmental Contributions [50]</i>	
2	Strategy	85
	<i>2.1 Strategy Development [45]</i>	
	<i>2.2 Strategy Implementation [40]</i>	
3	Customers	85
	<i>3.1 Customer Expectations [40]</i>	
	<i>3.2 Customer Engagement [45]</i>	
4	Measurement, Analysis and Knowledge Management	90
	<i>4.1 Measurement, Analysis and Improvement of Organizational Performance [45]</i>	
	<i>4.2 Information and Knowledge Management [45]</i>	
5	Workforce	85
	<i>5.1 Workforce Environment [40]</i>	
	<i>5.2 Workforce Engagement [45]</i>	
6	Operations	85
	<i>6.1 Work Processes [45]</i>	
	<i>6.2 Operational Effectiveness [40]</i>	
7	Results	450
	<i>7.1 Product and Process Results [120]</i>	
	<i>7.2 Customer Results [80]</i>	
	<i>7.3 Workforce Results [80]</i>	
	<i>7.4 Leadership and Governance and Environmental Results [80]</i>	
	<i>7.5 Financial, Market, and Strategy Results [90]</i>	
	TOTAL POINTS	1000



Criteria for Performance Excellence Structure

The seven IMC Criteria for Performance Excellence categories are subdivided into items and areas to address.

Items

There are 17 Criteria items (plus 2 in the Organizational Profile), each with a particular focus. These items are divided into three groups according to the kinds of information they ask for:

- The Organizational Profile asks you to define your organizational environment.
- Process items (categories 1–6) ask you to define your organization's processes.
- Results items (category 7) ask you to report results for your organization's processes.

See page 12 for a list of item titles and point values.

Item Notes

Item notes (1) clarify terms or questions, (2) give instructions and examples for responding, and (3) indicate key linkages to other items. Item notes

in italics pertain specifically to nonprofit (including government) organizations.

Areas to Address

Each item includes one or more areas to address (labeled *a*, *b*, *c*, and so on).

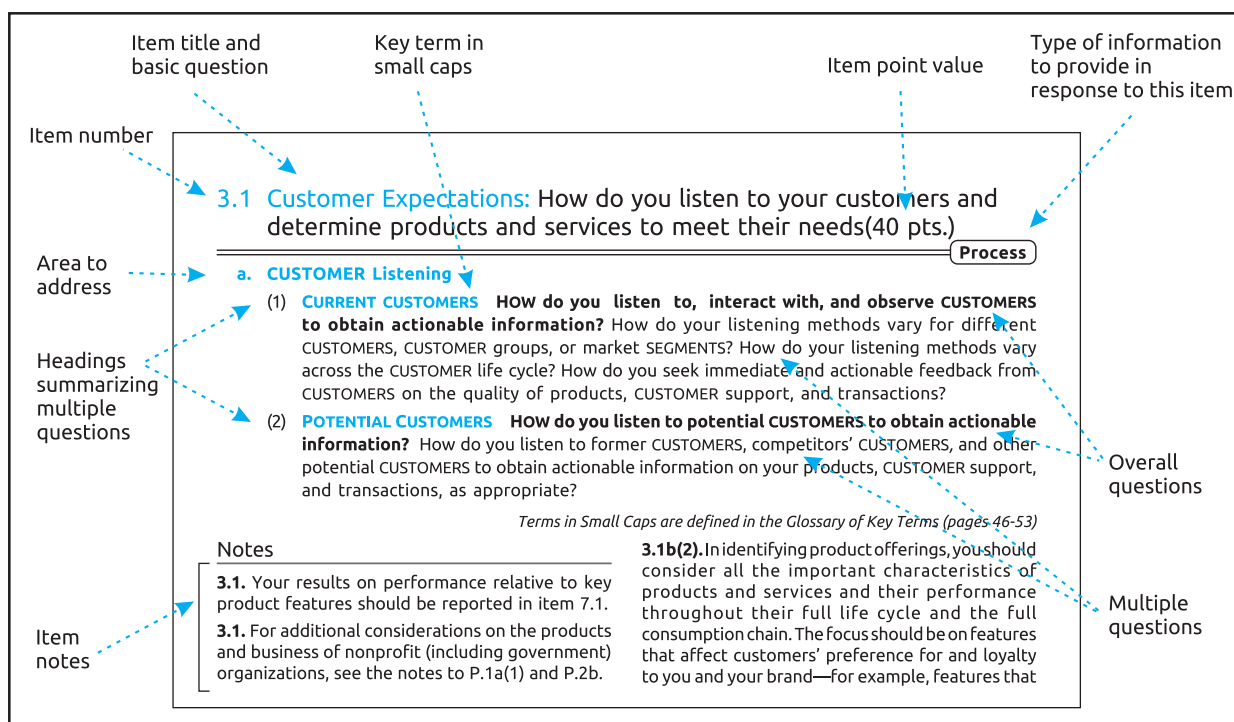
Item Questions

Item questions are expressed on three levels:

- *Basic questions* are expressed in the item titles.
- *Overall questions* are expressed in boldface in the shaded box. These leading questions are the starting point for responding.
- *Multiple questions* are the individual ones under each area to address, including the one in boldface. That first question expresses the most important one in that group.

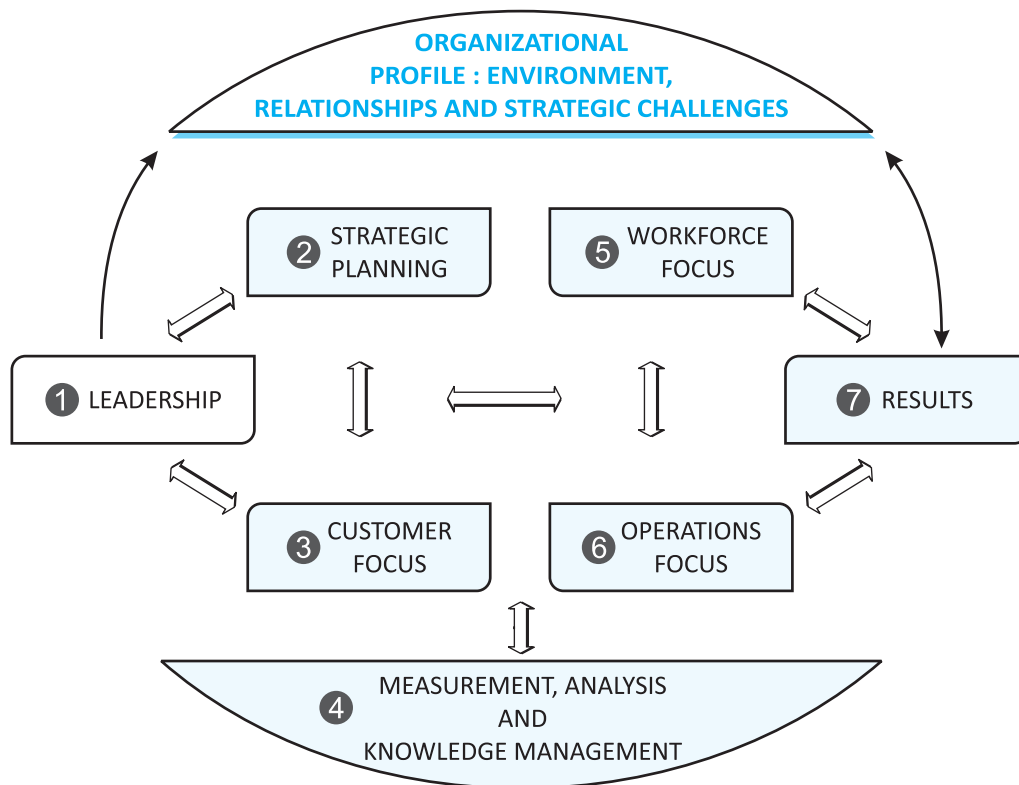
Key Terms

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).





Criteria for Performance Excellence



Begin with the Organizational Profile

The Organizational Profile is the most appropriate starting point for self-assessment and for writing an application. It is critically important for the following reasons:

- You can use it as an initial self-assessment. If you identify topics for which conflicting, little, or no information is available, use these topics for action planning.
- It sets the context for understanding your organization and how it operates, and allows you to address unique aspects of your organization in your responses to the IMC RBNQA Criteria questions in categories 1–7. Your responses to all other questions in the Criteria should relate to the organizational context you describe in this profile.
- It helps you identify gaps in key information about your organization and focus on key performance requirements and results.

P Organizational Profile

The **Organizational Profile** is a snapshot of your organization and its strategic environment.

P.1 Organizational Description: What are your key organizational characteristics?

a. Organizational Environment

- (1) **Product Offerings** What are your main product offerings (see the note on the next page)? What is the relative importance of each to your success? What mechanisms do you use to deliver your products? What are the PLANET FRIENDLY INITIATIVES planned for your products and services?
- (2) **MISSION, VISION, VALUES, and Culture** What are your MISSION, VISION and VALUES? Other than VALUES, what are the characteristics of your organizational culture, if any? What are your organization's CORE COMPETENCIES, and what is their relationship to your MISSION? What are your organization's policies related to safety and PLANET FRIENDLY INITIATIVES?
- (3) **WORKFORCE Profile** What is your profile? What recent changes have you experienced in WORKFORCE composition or in your needs with regard to your WORKFORCE? What are
 - your WORKFORCE or employee groups and SEGMENTS;
 - the educational requirements for different employee groups and SEGMENTS;
 - the KEY drivers that engage them;
 - your organized bargaining units (union representation), if any; and
 - your special health and safety and CLIMATE CHANGE requirements, if any?
- (4) **Assets** What are your major facilities, equipment, technologies, and intellectual property?
- (5) **Regulatory Environment** What are your KEY applicable occupational health and safety regulations; accreditation, certification, or registration requirements; industry standards; and environmental, financial, and product regulations?

b. Organizational Relationships

- (1) **Organizational Structure** What are your organizational leadership structure and GOVERNANCE structure? What structures and mechanisms make up your organization's LEADERSHIP SYSTEM? What are the reporting relationships among your GOVERNANCE board, SENIOR LEADERS, and parent organization, as appropriate?
- (2) **CUSTOMERS and STAKEHOLDERS** What are your KEY market SEGMENTS, CUSTOMER groups, and STAKEHOLDER groups, as appropriate? What are their KEY requirements and expectations for your products, KEY CUSTOMER support services, and operations, including any differences among the groups? How has CLIMATE CHANGE altered these expectations?
- (3) **Suppliers, PARTNERS, and COLLABORATORS** What are your KEY types of suppliers, PARTNERS, and COLLABORATORS? What role do they play in producing and delivering your KEY products and CUSTOMER support services, and in enhancing your competitiveness? What role do they play in contributing and implementing INNOVATIONS, including PLANET FRIENDLY approaches in your organization? What are your KEY supply-network requirements?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes:

P.1a(1). Product offerings are the goods and services you offer in the marketplace. Mechanisms for delivering products to your customers might be direct or might be indirect, through dealers, distributors, collaborators, or channel partners. **If your organization has plans or has PLANET FRIENDLY INITIATIVES that add value to products, services and society, you should include it in your response.** *Nonprofit (including government) organizations might refer to their product offerings as programs, projects, or services.*

P.1a(2). If your organization has a stated purpose as well as a mission, you should include it in your response. Some organizations define a mission and a purpose, and some use the terms interchangeably. In some organizations, purpose refers to the fundamental reason that the organization exists. Its role is to inspire the organization and guide its setting of values.

- Your values are part of your organization's culture. Other characteristics of your organizational culture might include shared beliefs and norms that contribute to the uniqueness of the environment within your organization.
- **Having a policy with respect to PLANET FRIENDLY INITIATIVES enables the organization to address climate related risks posed to customers, employees and communities; enhances resilience and contributes to a healthier and more sustainable future**

P.1a(3). Workforce or employee groups and segments (including organized bargaining units) might be based on type of employment or contract-reporting relationship, location (including telework), tour of duty, work environment, use of certain family-friendly policies, or other factors. Organizations that also rely on volunteers and interns to accomplish their work should include these groups as part of their workforce.

P.1a(5). In the Criteria, industry refers to the sector in which you operate. Industry standards might include industrywide codes of conduct and policy guidance. *For nonprofit (including government) organizations, this sector might be charitable organizations, professional associations and societies,*

religious organizations, or government entities—or a subsector of one of these. Depending on the Industry/sector in which you operate, environmental regulations might cover greenhouse gas emissions, carbon regulations and trading, and energy efficiency.

P.1b(1). The governance or oversight structure for privately held businesses, nonprofit organizations, and government agencies may comprise an advisory board, a family council, or local/regional leaders who are assembled to provide guidance. *For some nonprofit (including government) organizations, governance and reporting relationships might include relationships with major funding sources, such as granting agencies, legislatures, or foundations.*

P.1b(1). The Organizational Profile asks for the “what” of your leadership system (its structures and mechanisms). Questions in categories 1 and 5 ask how the system is used.

P.1b(2). For some nonprofit (including government) organizations, customers might include members, taxpayers, citizens, recipients, clients, and beneficiaries, and market segments might be referred to as constituencies. For government agencies, the legislature (as a source of funds) may be a key stakeholder.

P.1b(2). Customer groups might be based on common expectations, behaviors, preferences, or profiles. Within a group, there may be customer segments based on differences, commonalities, or both. You might subdivide your market into segments based on product lines or features, distribution channels, business volume, geography, or other defining factors.

P.1b(2). Customer, stakeholder, and operational requirements and expectations will drive your organization's sensitivity to the risk of product, service, support, and supply-network interruptions, including those due to natural disasters and other emergencies.

- CLIMATE CHANGE events can alter the perceptions and expectations of customers leading to preference for goods made locally or from recycled materials. This calls for addressing the risks of shifts in consumption of products/services, switching to goods with lower carbon footprint.

P.2 Organizational Situation: What is your organization's strategic situation?

a. Competitive Environment

- (1) **Competitive Position** What are your relative size and growth in your industry or the markets you serve? How many and what types of competitors do you have?
- (2) **Competitiveness Changes** What KEY changes, if any, are affecting your competitive situation, including changes that create opportunities for INNOVATION and collaboration, as appropriate? How has CLIMATE CHANGE impacted the need for reinventing these changes?
- (3) **Comparative Data** What KEY sources of comparative and competitive data are available from within your industry? What KEY sources of comparative data are available from outside your industry? What limitations, if any, affect your ability to obtain or use these data?

b. Strategic Context

What are your KEY STRATEGIC CHALLENGES and ADVANTAGES?

c. PERFORMANCE Improvement System

What is your PERFORMANCE improvement system, including your PROCESSES for evaluation and improvement of KEY organizational projects and PROCESSES, including PLANET FRIENDLY INITIATIVES?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes:

P.2a. *Nonprofit organizations must often compete with other organizations and alternative sources of similar services to secure financial and volunteer resources, membership, visibility in appropriate communities, and media attention.*

P.2b. Strategic challenges and advantages might be in the areas of business, operations, societal contributions, and workforce. They might relate to products, finances, organizational structure and culture, emerging technology, digital integration, data and information security, brand recognition and reputation, your supply network, globalization, and the environment and climate. *Throughout the Criteria, "business" refers to a nonprofit (or government) organization's main mission area or enterprise activity.*

P.2c. The IMC RBNQA Scoring System (pages 51–52) uses performance improvement through learning and integration as a dimension in assessing the maturity of organizational approaches and

their deployment. This question is intended to set an overall context for your approach to performance improvement. The approach you use should be related to your organization's needs. Approaches that are compatible with the overarching systems approach provided by the IMC RBNQA framework might include implementing a Lean Enterprise System, applying Six Sigma methodology, using PDCA methodology, using standards from ISO (e.g., the 9000 or 14000 series, or sector-specific standards), using decision science, or employing other improvement tools.

P.2a(2) & P.2c. Policies to tackle climate change can impose costs on organizations, especially those with high emissions of greenhouse gases, potentially reducing their competitiveness in markets. Describe how climate change is affecting your competitiveness in the market. What are the initiatives being undertaken in the form of improvements or innovations or partnerships to address the same?

I Leadership (120 pts.)

The **Leadership** category asks HOW SENIOR LEADERS' personal actions guide and sustain your organization. It also asks about your organization's GOVERNANCE system; HOW your organization fulfills its legal and ethical responsibilities; and HOW it makes societal contributions and deploys PLANET FRIENDLY INITIATIVES.

1.1 Senior Leadership: How do your senior leaders lead the organization? (70 pts.)

Process

a. VISION and VALUES

- (1) **Setting VISION and VALUES** HOW do SENIOR LEADERS set your organization's VISION and VALUES? HOW do SENIOR LEADERS DEPLOY the VISION and VALUES through your LEADERSHIP SYSTEM, to the WORKFORCE, to KEY suppliers and PARTNERS, and to CUSTOMERS and other STAKEHOLDERS, as appropriate? HOW do SENIOR LEADERS' personal actions reflect a commitment to those VALUES?
- (2) **Promoting Legal and ETHICAL BEHAVIOR** HOW do SENIOR LEADERS' personal actions demonstrate their commitment to legal and ETHICAL BEHAVIOR? HOW do SENIOR LEADERS promote Safety, Quality and CLIMATE CHANGE consciousness? How do SENIOR LEADERS promote an organizational environment that requires these priorities?

b. Communication

HOW do SENIOR LEADERS communicate with and engage the entire WORKFORCE, KEY PARTNERS, and KEY CUSTOMERS?

HOW do they

- encourage frank, two-way communication;
- communicate KEY decisions and needs for organizational change; and
- take a direct role in motivating the WORKFORCE toward HIGH PERFORMANCE and a CUSTOMER and business focus and, as appropriate, ethics, INNOVATION, and Safety?
- encourage generation of ideas for PLANET FRIENDLY INITIATIVES

c. MISSION and Organizational PERFORMANCE

- (1) **Creating an Environment for Success** HOW do SENIOR LEADERS create an environment for success now and in the future? HOW do they
 - create an environment for the achievement of your MISSION;
 - create and reinforce your organizational culture, and a culture that fosters CUSTOMER and WORKFORCE ENGAGEMENT;
 - cultivate organizational agility, accountability, organizational and individual LEARNING, INNOVATION, and INTELLIGENT RISK taking; and
 - participate in succession planning and the development of future organizational leaders?
- (2) **Creating a Focus on Action** HOW do SENIOR LEADERS create a focus on action that will achieve the organization's MISSION? HOW do SENIOR LEADERS
 - create a focus on action that will improve the organization's PERFORMANCE; including Safety, and CLIMATE CHANGE challenges
 - identify needed actions;
 - in setting expectations for organizational PERFORMANCE, include a focus on creating and balancing VALUE for CUSTOMERS and other STAKEHOLDERS; and
 - demonstrate personal accountability for the organization's actions?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

1.1. Your organizational performance results should be reported in items 7.1–7.5. Results related to the effectiveness of leadership and the leadership system should be reported in item 7.4.

1.1a(1). Your organization's vision should set the context for the strategic objectives and action plans you describe in items 2.1 and 2.2.

1.1b. Two-way communication may include use of social media, such as delivering periodic messages through internal and external websites, tweets, blogging, and customer and workforce electronic forums, as well as monitoring external social media outlets and responding, when appropriate.

1.1b. Senior leaders' direct role in motivating the workforce may include participating in reward and recognition programs. **Senior leader's role in encouraging generation of ideas for PLANET FRIENDLY INITIATIVES may include planning and educating employees and other stakeholders about sustainability and climate change; implementing a communication strategy that focuses on the role of employees and other stakeholders in delivering PLANET FRIENDLY INITIATIVES. Climate change ideas/suggestions should form a major part in the Reward & Recognition system in the organization.**

1.1b. Organizations that rely heavily on volunteers to accomplish their work should also discuss efforts to communicate with and engage the volunteer workforce.

1.1c(1). A successful organization is capable of addressing current business needs and, by addressing risk, agility, and strategic management, is capable of preparing for its future business, market, and operating environment. In creating an environment for success, leaders should consider both external and internal factors. Factors might include risk appetite and tolerance, organizational culture, work systems, the potential need for transformational changes in structure and culture, workforce capability and capacity, resource availability, core competencies, and the need for technological and organizational innovation. Other factors include risks and opportunities arising from emerging technology, data integration, data and information security, and CLIMATE CHANGE environmental considerations. **A successful organization also ensures a safe and secure environment for its workforce and other key stakeholders.**

1.1c(2). Senior leaders' focus on action considers your strategy, workforce, work systems, and assets. It includes taking intelligent risks, implementing innovations and ongoing improvements in performance and productivity, taking the actions needed to achieve your strategic objectives (see 2.2a[1]), and possibly establishing plans for managing major organizational change or responding rapidly to significant new information including climate change advisories.

1.2 Governance, Societal and Environmental Contribution: How do you govern your organization and make societal contribution? (50 pts.)

Process

a. Organizational GOVERNANCE

- (1) **GOVERNANCE System** **HOW does your organization ensure responsible GOVERNANCE?**
HOW does your GOVERNANCE system review and achieve the following?
- Accountability for SENIOR LEADERS' actions
 - Accountability for strategy
 - Fiscal accountability
 - Transparency in operations
 - Selection of GOVERNANCE board members, and their PLANET FRIENDLY outlook and disclosure policies for them, as appropriate
 - Independence and EFFECTIVENESS of internal and external audits
 - Protection of STAKEHOLDER and stockholder interests, as appropriate
 - Succession planning for SENIOR LEADERS

- (2) **PERFORMANCE Evaluation** **HOW do you evaluate the PERFORMANCE of your SENIOR LEADERS and your GOVERNANCE board?** HOW do you use PERFORMANCE evaluations in determining executive compensation? HOW do your SENIOR LEADERS and GOVERNANCE board use these PERFORMANCE evaluations to advance their development and improve the effectiveness of leaders, the board, and the LEADERSHIP SYSTEM, as appropriate?

b. Legal and ETHICAL BEHAVIOR

- (1) **Legal and Regulatory Compliance** **HOW do you address current and anticipate future legal, regulatory, and community concerns with your products and operations?** HOW do you
- address any adverse societal impacts of your products and operations,
 - anticipate public concerns with your future products and operations, and
 - prepare for these impacts and concerns proactively, **including through conservation of natural resources and effective supply-chain management processes as appropriate?**

What are your KEY compliance PROCESSES, MEASURES, and GOALS for meeting and surpassing regulatory and legal requirements, as appropriate? What are your KEY PROCESSES, MEASURES, AND GOALS for addressing risks associated with your products and operations?

- (2) **ETHICAL BEHAVIOR** **HOW do you promote and ensure ethical behavior in all interactions?** What are your KEY PROCESSES and MEASURES or INDICATORS for promoting and ensuring ETHICAL BEHAVIOR in your GOVERNANCE structure; throughout your organization; and in interactions with your WORKFORCE, CUSTOMERS, PARTNERS, suppliers, and other STAKEHOLDERS? HOW do you monitor and respond to breaches of ETHICAL BEHAVIOR?

c. Societal Contributions

- (1) **Societal Well-Being** **HOW do you consider societal well-being and benefit as part of your strategy and daily operations?** HOW do you contribute to the well-being of your environmental, social, and economic systems?
- (2) **Community Support** **HOW do you actively support and strengthen your key communities?** What are your KEY communities? HOW do you identify them and determine areas for organizational involvement? HOW do your SENIOR LEADERS, in concert with your WORKFORCE, advocate PLANET FRIENDLY behaviors and contribute to improving these communities?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

1.2. Societal contributions in areas critical to your ongoing marketplace success should also be addressed in Strategy Development (item 2.1) and Operations (category 6). Key societal results should be reported as Leadership and Governance Results (item 7.4).

1.2. The health and safety of your workforce are not addressed in this item; you should address these workforce factors in items 5.1 and 6.2, respectively.

1.2a(1). The governance board's review of organizational performance and progress, if appropriate, is addressed in 4.1(b).

1.2a(1). Transparency in the operations of your governance system should include your internal controls on governance processes. For some privately held businesses and nonprofit (including

government) organizations, an external advisory board may provide some or all governance board functions. *For nonprofit (including government) organizations that serve as stewards of public funds, areas of emphasis are stewardship of those funds and transparency in operations.*

In protecting stakeholder interests, the governance system should consider and sanction appropriate levels of risk for the organization, recognizing the need to accept risk as part of running a successful organization.

1.2a(2). The evaluation of leaders' performance might be supported by peer reviews, formal performance management reviews, and formal or informal feedback from and surveys of the workforce and other stakeholders. For some privately held businesses and nonprofit and government organizations, external advisory

boards might evaluate the performance of senior leaders and the governance board.

1.2b(1). Proactively preparing for any adverse societal impacts and concerns may include conservation of natural resources and effective supply-network management processes, as appropriate. *Nonprofit organizations should report, as appropriate, how they meet and surpass regulatory and legal requirements and standards that govern fundraising and lobbying.*

1.2b(2). Measures or indicators of ethical behavior might include the percentage of independent board members, measures of relationships with stockholder and non-stockholder constituencies, instances of ethical conduct or compliance breaches and responses to them, survey results showing workforce perceptions of organizational ethics, ethics hotline use, and results of ethics reviews and audits. Measures or indicators of ethical behavior might also include evidence that policies, workforce training, and monitoring systems are in place for conflicts of interest; protection and use of sensitive data, information, and knowledge generated through synthesizing and correlating these data; and proper use of funds.

1.2c. *Some charitable organizations may contribute to society and support their key communities totally through the mission-related activities described in response to other Criteria questions. In such cases, it is appropriate to respond here with any "extra efforts" through which you support these communities.*

1.2c(1). Areas of societal well-being and benefit to report are those that are in addition to the compliance processes you describe in 1.2b(1). They might include organizational or collaborative efforts to improve the environment; strengthen local community services, education, health, and emergency preparedness; address societal inequities; and improve the practices of trade, business, or professional associations.

1.2c(2). Areas for organizational involvement in supporting your key communities might include areas that leverage your core competencies.

Environmental well-being encompasses all aspects of your products/services that contribute to safeguarding the environment from pollution of air, water, waste and noise to green energy and carbon neutrality.

2 Strategy (85 pts.)

The **Strategy** category asks HOW your organization develops STRATEGIC OBJECTIVES and ACTION PLANS, implements them, changes them if circumstances require, and measures progress.

2.1 Strategy Development: How do you develop your strategy? (45 pts.)

Process

a. Strategy Development PROCESS

- (1) **Strategic Planning Process** **HOW do you conduct your strategic planning?** What are the KEY PROCESS steps? Who are the KEY participants? What are your short- and longer-term planning horizons? HOW are they addressed in the planning PROCESS? HOW does your strategic planning PROCESS address the potential need for transformational change, prioritization of change initiatives, and organizational agility?
- (2) **INNOVATION** **HOW does your strategy development PROCESS stimulate and incorporate INNOVATION?** HOW do you identify STRATEGIC OPPORTUNITIES? HOW do you decide which STRATEGIC OPPORTUNITIES are INTELLIGENT RISKS to pursue? What are your KEY STRATEGIC OPPORTUNITIES?
- (3) **Strategy Considerations** **HOW do you collect and analyze relevant data and develop information for use in your strategic planning PROCESS?** In this collection and ANALYSIS, HOW do you include these KEY elements of risk?
 - Your STRATEGIC CHALLENGES and STRATEGIC ADVANTAGES
 - Potential changes in your regulatory and external environment
 - Potential blind spots in your strategic planning PROCESS and information
 - Your ability to execute the strategic plan
 - Your approach to environment protection
- (4) **WORK SYSTEMS and CORE COMPETENCIES** **HOW do you decide which KEY PROCESSES will be accomplished by your WORKFORCE and which by external suppliers, PARTNERS, and COLLABORATORS?** HOW do those decisions consider your STRATEGIC OBJECTIVES, your CORE COMPETENCIES, and the CORE COMPETENCIES of potential suppliers, PARTNERS, and COLLABORATORS? HOW do you determine what future organizational CORE COMPETENCIES and WORK SYSTEMS you will need?

b. STRATEGIC OBJECTIVES

- (1) **KEY STRATEGIC OBJECTIVES** **What are your organization's KEY STRATEGIC OBJECTIVES and timetable for achieving them?** What are your most important GOALS for these STRATEGIC OBJECTIVES? What KEY changes, if any, are planned in your products, CUSTOMERS and markets, suppliers and PARTNERS, and operations? What are the plans for PLANET FRIENDLY products and operations **as part of your key strategic objective?**
- (2) **STRATEGIC OBJECTIVE Considerations** **HOW do your STRATEGIC OBJECTIVES achieve appropriate balance among varying and potentially competing organizational needs?** HOW do your STRATEGIC OBJECTIVES
 - address your STRATEGIC CHALLENGES and leverage your CORE COMPETENCIES, STRATEGIC ADVANTAGES, and STRATEGIC OPPORTUNITIES;
 - balance short- and longer-term planning horizons; and
 - consider and balance the needs, including emerging **CLIMATE CHANGE** needs, of all KEY STAKEHOLDERS?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

2.1. This item deals with your overall organizational strategy, which might include changes in customer engagement processes and product offerings. However, you should describe the customer engagement and product design strategies, respectively, in items 3.2 and 6.1, as appropriate.

2.1. Strategy development refers to your organization's approach to preparing for the future. In developing your strategy, you should consider your level of acceptable enterprise risk. To make decisions and allocate resources, you might use various types of forecasts, projections, options, scenarios, knowledge (see 4.2b for relevant organizational knowledge), analyses, or other approaches to envisioning the future. Strategy development might involve key suppliers, collaborators, distributors, partners, and customers. *For some nonprofit organizations, strategy development might involve organizations providing similar services or drawing from the same donor population or volunteer workforce.*

2.1. The term "strategy" should be interpreted broadly. Strategy might be built around or lead to any or all of the following: new products; redefinition of key customer groups or market segments; definition or redefinition of your role in your business ecosystem (your network of partners, suppliers, collaborators, competitors, customers, communities, and other relevant organizations inside and outside your sector or industry that serve as potential resources); differentiation of your brand; new core competencies; revenue growth; divestitures; mergers and acquisitions; new partnerships, alliances, or roles within them; and new employee or volunteer relationships. **Strategy might be directed toward becoming a preferred supplier, local supplier in each of your major customers' or partners' markets, lowcost producer, market innovator, or provider of a high-end or customized product or service. It might also be directed toward meeting a community or public need.**

2.1a(1). Organizational agility refers to the capacity for rapid change in strategy and the ability to adjust your operations as opportunities or needs arise.

2.1a(2). Strategic opportunities are prospects for new or changed products, services, processes, business models (including strategic alliances), or markets. They arise from outside-the-box thinking, brainstorming, capitalizing on serendipity, research and innovation processes, nonlinear extrapolation

of current conditions, and other approaches to imagining a different future. The generation of ideas that lead to strategic opportunities benefits from an environment that encourages nondirected, free thought. Choosing which strategic opportunities to pursue involves considering relative risk, financial and otherwise, and then making intelligent choices ("intelligent risks").

2.1a(3). Data and information may come from a variety of internal and external sources and in a variety of forms. Data are available in increasingly greater volumes and at greater speeds. The ability to capitalize on data and information, including large datasets ("big data"), is based on the ability to analyze the data, draw conclusions, and pursue actions, including intelligent risks

2.1a(3). Integration of data from all sources to generate strategically relevant information is a key consideration. Data and information might relate to customer and market requirements, expectations, opportunities, and risks; financial, societal, ethical, regulatory, environmental, technological, security and cybersecurity, and other potential opportunities and risks; your core competencies; the competitive environment and your performance now and in the future relative to competitors and comparable organizations; your product life cycle; technological and other key innovations or changes that might affect your products and services and the way you operate, as well as the rate of innovation; workforce and other resource needs; your ability to capitalize on diversity; opportunities to redirect resources to higher-priority products, services, or areas; your ability to prevent and respond to disasters and emergencies; changes in the local, national, or global economy; requirements for and strengths and weaknesses of your partners and supply network; changes in your parent organization; and other factors unique to your organization.

Your decisions about addressing strategic challenges, changes in your regulatory and external business environment, blind spots in your strategic planning, and gaps in your ability to execute the strategic plan may give rise to organizational risk. Analysis of these factors is the basis for managing strategic risk in your organization.

Blind spots arise from incorrect, incomplete, obsolete, or biased assumptions or conclusions that cause gaps, vulnerabilities, risks, or weaknesses in your understanding of the competitive environment and strategic challenges your organization faces. Blind spots may arise from

new or replacement offerings or business models coming from inside or outside your industry.

2.1a(3). Your strategic planning should address your ability to mobilize the necessary resources and knowledge to execute the strategic plan. It should also address your ability to execute contingency plans or, if circumstances require, to shift strategy and rapidly execute new or changed plans.

Climate change risks can be managed like any other business risks. Approaches to assessing and mitigating climate change risks may include business continuity planning, strategic and risk management planning.

2.1a(4). Your work systems are the coordinated combination of internal work processes and external resources you need to develop and produce products, deliver them to your customers, and succeed in your marketplace. External resources might include partners, suppliers, collaborators, competitors, customers, and other entities or organizations that are part of your business ecosystem. Decisions about work systems involve protecting intellectual property, capitalizing on core competencies, and mitigating risk.

Decisions about your work systems affect organizational design and structure, size, locations, profitability, and ongoing success. In a generic view of an organization, for example, the organization might define three work systems: one that addresses production of the product or service, one that engages the customer, and one that comprises systems that support production and customer engagement.

2.1b(1). Strategic objectives should focus on your specific challenges, advantages, and opportunities those most important to your ongoing success and to strengthening your overall performance and your success now and in the future.

As a part of strategy development, you should analyse the impact of climate change that could affect your business, supply chain and customers. Strategic objectives should consider positive impacts such as new opportunities as well as negative impacts such as rising cost, change in customer's buying habits and risks. Plans addressing Climate Change should be integrated with the business processes.

2.2 Strategy Implementation: How do you implement your strategy? (40 pts.)

Process

a. ACTION PLAN Development and DEPLOYMENT

- (1) **ACTION PLANS** What are your key short- and longer-term ACTION PLANS? What is their relationship to your STRATEGIC OBJECTIVES? How do you develop your ACTION PLANS?
- (2) **ACTION PLAN Implementation** HOW do you DEPLOY your ACTION PLANS? HOW do you DEPLOY your ACTION PLANS to your WORKFORCE, suppliers, partners and COLLABORATORS, as appropriate, to ensure that you achieve your KEY STRATEGIC OBJECTIVES? HOW do you ensure that you can sustain the KEY outcomes of your ACTION PLANS?
- (3) **Resource Allocation** HOW do you ensure that financial and other resources are available to support the achievement of your ACTION PLANS while you meet current obligations? HOW do you allocate these resources to support the plans? HOW do you manage the risks associated with the plans to ensure your financial viability?
- (4) **WORKFORCE Plans** What are your KEY WORKFORCE plans to support your short- and longer-term STRATEGIC OBJECTIVES and action Plans? HOW do the plans address potential impacts of CLIMATE CHANGE on your WORKFORCE members and any potential changes in WORKFORCE CAPABILITY and CAPACITY needs?
- (5) **PERFORMANCE MEASURES** What KEY PERFORMANCE MEASURES or INDICATORS do you use to track the achievement and EFFECTIVENESS of your action Plans? HOW does your overall ACTION PLAN measurement system reinforce organizational ALIGNMENT?

- (6) **PERFORMANCE PROJECTIONS** For these KEY PERFORMANCE MEASURES or INDICATORS, what are your PERFORMANCE PROJECTIONS for your short- and longer-term planning horizons? What is your projected performance on these action plan measures or indicators compared with your projections of the performance of your competitors or comparable organizations and with key benchmarks, as appropriate? If there are gaps between your projected PERFORMANCE and that of your competitors or comparable organizations, HOW do you address them in your ACTION PLANS?

b. ACTION PLAN Modification

HOW do you recognize and respond when circumstances require a shift in ACTION PLANS and rapid execution of new plans? How do you use environmental advisory information to plan and respond effectively

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

2.2. The development and deployment of your strategy and action plans are closely linked to other Criteria items. The following are examples of key linkages:

- Item 1.1: how your senior leaders set and communicate organizational direction
- Category 3: how you gather customer and market knowledge as input to your strategy and action plans and to use in deploying action plans
- Category 4: how you measure and analyze data and manage knowledge to support key information needs, support the development of strategy, provide an effective basis for performance measurements, and track progress on achieving strategic objectives and action plans
- Category 5: how you meet workforce capability and capacity needs, determine needs and design your workforce learning and development system, and implement workforce-related changes resulting from action plans and PLANET FRIENDLY INITIATIVES.
- Category 6: how you address changes to your work processes resulting from action plans

- Item 7.1: specific accomplishments relative to your organizational strategy and action plans
- Item 7.5: results for overall strategy and action plan achievement

2.2a HOW do the action plans deployment and implementation including resource allocation, workforce plan, performance measures, performance projection reflect your commitment towards planet friendly products and operations as a part of your organization's key strategic objectives?

2.2a(2). Action plan implementation and deployment may require modifications in organizational structures and operating modes. The success of action plans benefits from visible short-term wins as well as long-term actions.

2.2a(6). Projected performance might consider new ventures; organizational acquisitions or mergers; new value creation; introduction of PLANET FRIENDLY products/services market entry and shifts; new legislative mandates, legal requirements, or industry standards; and significant anticipated innovations in services and technology. Your process for projecting future performance should be reported in 4.1c(1).

3 Customers (85 pts.)

The **CUSTOMERS** category asks HOW your organization engages its customers for ongoing marketplace success, including HOW your organization listens to the VOICE OF THE CUSTOMER, serves and exceeds CUSTOMERS' expectations, and builds long-term CUSTOMER relationships.

3.1 Customer Expectations: How do you listen to your customers and determine products and services to meet their needs (40 pts.)

Process

a. CUSTOMER Listening

- (1) **CURRENT CUSTOMERS** **HOW do you listen to, interact with, and observe CUSTOMERS to obtain actionable information?** How do your listening methods vary for different CUSTOMERS, CUSTOMER groups, or market SEGMENTS? **How do you use social media and web-based technologies to listen to customers, as appropriate?** How do your listening methods vary across the CUSTOMER life cycle? How do you seek immediate and actionable feedback from CUSTOMERS on the quality of products, CUSTOMER support, and transactions?
- (2) **POTENTIAL CUSTOMERS** **HOW do you listen to potential CUSTOMERS to obtain actionable information including PLANET FRIENDLY preferences?** How do you listen to former CUSTOMERS, competitors' CUSTOMERS, and other potential CUSTOMERS to obtain actionable information on your products, CUSTOMER support, and transactions, as appropriate?

b. Customer Segmentation and Product Offerings

- (1) **CUSTOMER Segmentation** **HOW do you determine your CUSTOMER groups and market segments?** HOW do you
 - use information on customers, markets, and product offerings, including preferences for PLANET FRIENDLY offerings to identify current and anticipate future CUSTOMER groups and market SEGMENTS;
 - consider competitors' customers and other potential customers and markets in this segmentation; and
 - determine which CUSTOMERS, CUSTOMER groups, and market SEGMENTS to emphasize and pursue for business growth?
- (2) **Product Offerings** **HOW do you determine product offerings?** HOW do you
 - determine CUSTOMER and market needs and requirements for product offerings and services;
 - identify and adapt product offerings to meet the requirements and exceed the expectations of your CUSTOMER groups and market SEGMENTS; and
 - identify and adapt product offerings to enter new markets, to attract new CUSTOMERS, and to create opportunities to expand relationships with current CUSTOMERS, as appropriate?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

3.1. Customer listening refers to your process for capturing customer-related information. Customer listening processes are intended to be proactive and continuously innovative to capture stated, unstated, and anticipated customer requirements, expectations, and desires. The goal is customer engagement. In listening to the customer, you might gather and integrate various types of customer data, such as survey data, focus group findings, social media data and commentary,

warranty data, marketing and sales information, and complaint data that affect customers' purchasing and engagement decisions.

For additional considerations on the products and business of nonprofit (including government) organizations, see the notes to P.1a(1) and P.2b.

3.1a(1). Social media and web-based technologies are a growing mode of gaining insight into how customers perceive all aspects of your involvement with them. Your customer listening methods might include social media and web-based technologies.

Listening through social media may include monitoring comments on social media outlets you moderate and on those you do not control.

The customer life cycle begins in the product concept or pre-sale period and continues through all stages of your involvement with the customer. These stages might include relationship building, the active business relationship, and an exit strategy, as appropriate.

3.1b(2). Product offerings refer to the goods and services that you offer in the marketplace. In identifying product offerings, you should consider all the important characteristics of products and services and their performance throughout their full life cycle and the full consumption chain. The focus should be on features that affect customers' preference for and loyalty to you and your brand

– for example, features that differentiate your products due to their unique or innovative nature or that differentiate them from competing offerings or other organizations' services. Those latter features might include price, reliability, value, delivery, timeliness, product customization, requirements for the use and disposal of hazardous materials, other planet friendly measures, ease of use, customer or technical support, and the sales relationship. Key features might also consider how transactions occur and factors such as emerging technology and the privacy and security of customer data.

Your results on performance relative to key product features should be reported in item 7.1, and those for customer perceptions and actions (outcomes) should be reported in item 7.2.

3.2 Customer Engagement: How do you build relationships with customers and determine satisfaction and engagement (45 pts.)

Process

a. CUSTOMER Relationships and Support

- (1) **Relationship Management** **HOW do you build and manage CUSTOMER relationships?** HOW do you market, build, and manage relationships with CUSTOMERS to
 - acquire CUSTOMERS and build market share, including advocacy for environment protection;
 - manage and enhance your brand image;
 - retain CUSTOMERS, meet their requirements, and exceed their expectations in each stage of the CUSTOMER life cycle?
- (2) **CUSTOMER Access and Support** **HOW do you enable CUSTOMERS to seek information and support?** HOW do you enable them to conduct business with you? What are your KEY means of CUSTOMER support and communication? How do they vary for different CUSTOMERS, CUSTOMER groups, or market SEGMENTS, as appropriate? How do you
 - determine your CUSTOMERS' KEY support requirements, and
 - DEPLOY these requirements to all people and PROCESSES involved in CUSTOMER support?
- (3) **Complaint Management** **HOW do you manage CUSTOMER complaints?** HOW do you resolve complaints promptly and EFFECTIVELY? HOW does your management of complaints enable you to recover your CUSTOMERS' confidence, enhance their satisfaction and ENGAGEMENT, and avoid similar complaints in the future?

b. Determination of CUSTOMER Satisfaction and ENGAGEMENT

- (1) **Satisfaction, Dissatisfaction, and ENGAGEMENT** **HOW do you determine CUSTOMER satisfaction, dissatisfaction, and ENGAGEMENT?** HOW do your determination methods differ among your CUSTOMER groups and market SEGMENTS, as appropriate? HOW do your measurements capture actionable information?

- (2) **Satisfaction Relative to Other Organizations** HOW do you obtain information on CUSTOMERS' satisfaction with your organization relative to other organizations? HOW do you obtain information on your CUSTOMERS' satisfaction

- relative to their satisfaction with your competitors; and
- relative to the satisfaction of CUSTOMERS of other organizations that provide similar PRODUCTS or to industry BENCHMARKS, as appropriate?

c. Use of VOICE-OF-THE-CUSTOMER and Market Data

HOW do you use VOICE-OF-THE-CUSTOMER and market data and information? HOW do you use VOICE-OF-THE-CUSTOMER and market data and information to build a more CUSTOMER-focused culture and support operational decision making?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

3.2 Building customer relationships might include developing partnerships or alliances with customers.

3.2a(1). Brand management is generally associated with marketing to improve the perceived value of your product or brand. Successful brand management builds customer loyalty and positive associations, and it protects your brand and intellectual property.

Advocacy for environment protection may cover organizations showcasing substantive planet friendly initiatives, sharing and communicating such information, promoting sustainability efforts through social media, offering incentives to customers practicing sustainability etc.

3.2a(2). The goal of customer support is to make your organization easy to do business with and responsive to your customers' expectations.

3.2b. You might use any or all of the following to determine customer satisfaction and dissatisfaction: surveys, formal and informal feedback, customer account histories, complaints, field reports, win/loss analysis, customer referral

rates, and transaction completion rates. You might gather information on the web, through personal contact or a third party, or by mail.

3.2b(1). High satisfaction scores does not mean absence of dissatisfaction. Determining customer dissatisfaction should be seen as more than reviewing low customer satisfaction scores. It should be independently determined to identify root causes and enable a systematic remedy to avoid future dissatisfaction.

3.2b(2). Information on relative satisfaction may include comparisons with competitors, comparisons with other organizations that deliver similar products in a noncompetitive marketplace, or comparisons obtained through trade or other organizations. Such information may also include information on why customers choose your competitors over you.

3.2c. Customer data and information should be used to support the overall performance reviews addressed in 4.1b. Voice-of-the-customer and market data and information to use might include aggregated data on complaints and, as appropriate, data and information from social media.

4 Measurement, Analysis and Knowledge Management (90 pts.)

The **Measurement, ANALYSIS, and Knowledge Management** category asks how your organization selects, gathers, analyzes, manages, and improves its data, information, and KNOWLEDGE ASSETS; HOW it uses review findings to improve its PERFORMANCE; and HOW it learns.

4.1 Measurement, Analysis and Improvement of Organizational Performance: How do you measure, analyse and then improve organizational performance? (45 pts.)

Process

a. PERFORMANCE Measurement

- (1) **PERFORMANCE MEASURES** HOW do you track data and information on daily operations and overall organizational PERFORMANCE? HOW do you
 - select, collect, align, and integrate data and information to use in tracking daily operations and overall organizational PERFORMANCE; and
 - track progress on achieving STRATEGIC OBJECTIVES and ACTION PLANS?What are your KEY organizational PERFORMANCE MEASURES, including key short-and longer-term financial and performance measures addressing PLANET FRIENDLY INITIATIVES? How frequently do you track these MEASURES?
- (2) **Comparative Data** HOW do you select comparative data and information to support fact-based decision making?
- (3) **Measurement Agility** HOW do you ensure that your PERFORMANCE measurement system can respond to rapid or unexpected organizational or external changes and provide timely data?

b. PERFORMANCE ANALYSIS and Review

HOW do you review your organization's PERFORMANCE and capabilities? HOW do you use your KEY organizational PERFORMANCE MEASURES, as well as comparative data, in these reviews? What ANALYSES do you perform to support these reviews and ensure that conclusions are valid? HOW do your organization and its SENIOR LEADERS use these reviews to

- assess organizational success, competitive PERFORMANCE, financial health, PLANET FRIENDLY initiatives and progress on achieving your STRATEGIC OBJECTIVES and ACTION PLANS; and
- respond rapidly to changing organizational needs and challenges in your operating environment and those impacted by CLIMATE CHANGE factors?

HOW does your GOVERNANCE board review the organization's PERFORMANCE and its progress on STRATEGIC OBJECTIVES and ACTION PLANS, if appropriate?

c. PERFORMANCE Improvement

- (1) **Future PERFORMANCE** HOW do you project your organization's future PERFORMANCE? HOW do you use findings from PERFORMANCE reviews and KEY comparative and competitive data in your PROJECTIONS? How do you reconcile any differences between these projections and those developed for your key action plans (addressed in 2.2a[6])?
- (2) **Continuous Improvement and INNOVATION** HOW do you use findings from PERFORMANCE reviews to develop priorities for continuous improvement and opportunities for INNOVATION? HOW do you DEPLOY these priorities and opportunities
 - to work group and functional-level operations; and
 - when appropriate, to your suppliers, PARTNERS, and COLLABORATORS to ensure organizational ALIGNMENT?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

4.1. The questions in this item are closely linked to each other and to other Criteria items. The following are examples of key linkages:

- Your organizational performance measurement (4.1a) including the comparative data and information you select, and the performance measures reported throughout your Criteria item responses should inform your organizational performance reviews (4.1b).
- Organizational performance reviews (4.1b) should reflect your strategic objectives and action plans (category 2), and the results of organizational performance analysis and review should inform your strategy development and implementation, and your priorities for improvement and opportunities for innovation (4.1c).
- Your performance projections for your key action plans should be reported in 2.2a(6).
- Your organizational performance results should be reported in items 7.1–7.5.

4.1a. Data and information from performance measurement should be used to support fact-based decisions that set and align organizational directions and resource use at the work unit, key process, department, and organization levels.

4.1a(2). The comparative data and information you select should be used to support operational and strategic decision making. Comparative data and information are obtained by benchmarking and by seeking competitive comparisons. Benchmarking is identifying processes and results that represent best practices and performance

for similar activities, inside or outside your industry. Competitive comparisons relate your performance to that of competitors and other organizations providing similar products and services.

4.1a(3). Agility in your measurement system might be needed in response to regulatory changes, other changes in the political environment, innovations in organizational processes or business models, new competitor offerings, or productivity enhancements. Responses to such changes might involve, for example, adopting different performance measures or adjusting the intervals between measurements.

4.1b. Performance analysis includes examining performance trends; organizational, industry, and technology projections; and comparisons, cause-effect relationships, and correlations. This analysis should support your performance reviews, help determine root causes, and help set priorities for resource use. Accordingly, such analysis draws on all types of data: product performance, customer-related, financial and market, operational, and competitive. The analysis should also draw on publicly mandated measures, when appropriate, and might also be informed by internal or external IMC RBNQA assessments.

4.1b. Rapid response to changing organizational needs and challenges may include responding to the need for transformational change in your organizational structure and work systems.

Climate change consciousness requires projection of future performance, continuous improvement and innovation in PLANET FRIENDLY INITIATIVES in your organization.

4.2 Information and Knowledge Management: How do you manage your information and your organizational knowledge assets? (45 pts.)

Process

a. Data and Information

- (1) **Quality** **HOW do you verify and ensure the quality of organizational data and information?**
HOW do you manage electronic and other data and information to ensure their accuracy and validity, integrity and reliability, and currency?
- (2) **Availability** **HOW do you ensure the availability of organizational data and information?**
HOW do you make needed data and information available in a user-friendly format and timely manner to your WORKFORCE, SUPPLIERS, PARTNERS, COLLABORATORS, and CUSTOMERS, as appropriate? HOW do you ensure that your information technology systems are reliable and user-friendly?

b. Organizational Knowledge

- (1) **Knowledge Management** **HOW do you build and manage organizational KNOWLEDGE?**
HOW do you
 - collect and transfer WORKFORCE knowledge;
 - blend and correlate data from different sources to build new knowledge;
 - transfer relevant knowledge from and to CUSTOMERS, suppliers, PARTNERS, and COLLABORATORS; and
 - assemble and transfer relevant knowledge for use in your INNOVATION and strategic planning PROCESSES?
- (2) **Best Practices** **HOW do you share best practices in your organization?** HOW do you identify internal and external organizational units or operations that are HIGH PERFORMING? HOW do you identify best practices for sharing, including PLANET FRIENDLY approaches and implement them across your organization, as appropriate?
- (3) **Organizational LEARNING** **HOW do you use your knowledge and resources to embed LEARNING in the way your organization operates?**

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

4.2a(2). Information technology systems include, for example, physical devices and systems (hardware); software platforms and applications; and externally based information systems, such as those stored in the cloud or outside your organization's control.

4.2a(2). The security of your information technology systems is not addressed in this item. You should address this as part of your overall security and cybersecurity management in item 6.2.

4.2b(1). Blending and correlating data from different sources may involve handling big data

sets and disparate types of data and information, such as data tables, video, and text, and may involve data analytics and data science techniques. Organizational knowledge constructed from these data may be speculative and may reveal sensitive information about organizations or individuals that must be protected from use for any other purposes.

4.2b(3). Embedding learning in the way your organization operates means that learning (1) is a part of everyday work; (2) results in solving problems at their source; (3) is focused on building and sharing knowledge throughout your organization; and (4) is driven by opportunities to bring about significant, meaningful change and to innovate.

5 Workforce (85 pts.)

The **WORKFORCE** category asks HOW your organization assesses WORKFORCE CAPABILITY and CAPACITY needs and builds a WORKFORCE environment that is conducive to HIGH PERFORMANCE. The category also asks HOW your organization engages, manages, and develops your WORKFORCE to utilize its full potential in ALIGNMENT with your organization's overall business needs.

5.1 Workforce Environment: How do you build an effective and supportive workforce environment? (40 pts.)

Process

a. WORKFORCE CAPABILITY and CAPACITY

- (1) **CAPABILITY and CAPACITY Needs** HOW do you assess your WORKFORCE CAPABILITY and CAPACITY needs? HOW do you assess the skills, competencies, certifications, and staffing levels you need?
- (2) **New WORKFORCE Members** HOW do you recruit, hire, and onboard new WORKFORCE members? HOW do you ensure that your WORKFORCE represents the diverse ideas and cultures of your CUSTOMER communities? HOW do you ensure the fit of new WORKFORCE members with your organizational culture?
- (3) **WORKFORCE Change Management** HOW do you prepare your WORKFORCE for changing CAPABILITY and CAPACITY needs? HOW do you
 - balance the needs of your WORKFORCE and your organization to ensure continuity, prevent WORKFORCE reductions, and minimize the impact of any necessary reductions; and provide for appropriate compensation policy for the reduced workforce
 - prepare for and manage any periods of WORKFORCE growth; and
 - prepare your WORKFORCE for changes in organizational structure and WORK SYSTEMS, when needed, including those arising from CLIMATE CHANGE events
- (4) **Work Accomplishment** HOW do you organize and manage your WORKFORCE? HOW do you organize and manage your WORKFORCE to
 - accomplish your organization's work,
 - capitalize on your organization's CORE COMPETENCIES,
 - reinforce a CUSTOMER and business focus, and
 - exceed PERFORMANCE expectations?

b. WORKPLACE Climate

- (1) **WORKPLACE Environment** HOW do you ensure workplace health, security, and accessibility for the WORKFORCE? What are your PERFORMANCE MEASURES and improvement GOALS for your workplace environmental factors?
- (2) **WORKFORCE Benefits and Policies** HOW do you support your WORKFORCE via services, benefits, and policies? HOW do you tailor these to the needs of a diverse WORKFORCE and different WORKFORCE groups and SEGMENTS?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

5. Results related to workforce environment and engagement should be reported in item 7.3. Workforce refers to the people actively involved in accomplishing your organization's work. It includes team leaders, supervisors, and managers at all levels. People supervised by a contractor

should be addressed in categories 2 and 6 as part of your larger work system strategy and your internal work processes. For organizations that also rely on volunteers, workforce includes these volunteers.

5.1 a(1). Workforce capability refers to your organization's ability to carry out its work processes through its people's knowledge, skills, abilities,

and competencies. Workforce capacity refers to your organization's ability to ensure sufficient staffing levels to carry out its work processes and successfully deliver products to customers, including the ability to meet seasonal or varying demand levels.

Your assessment of workforce capability and capacity needs should consider not only current needs, but also future requirements based on the strategic objectives and action plans you identify in category 2 and the future performance you discuss in 4.1c(1). **This includes workforce capability and capacity with respect to climate change and sustainability initiatives.**

5.1a(3). Preparing your workforce for changing capability and capacity needs might include training, education, frequent communication, consideration of workforce employment and employability, career counseling, and outplacement and other services.

5.1a(3), 5.1a(4). Organizing and managing your workforce may involve organizing the workforce for change as you address changes in technology, your external environment, CLIMATE CHANGE, culture, or strategic objectives.

5.1b(1). Workplace accessibility maximizes productivity by eliminating barriers that can prevent people with disabilities from working to their potential. A fully inclusive workplace is physically, technologically, and attitudinally accessible.

5.1b(1). If workplace environmental factors and their performance measures or targets differ significantly for your different workplace environments, you should include these differences in your response. You should address workplace safety in item 6.2 as part of your overall safety system.

5.2 Workforce Engagement : How do you engage your workforce for retention and high performance? (45 pts.)

Process

a. Assessment of WORKFORCE ENGAGEMENT

- (1) **Drivers of ENGAGEMENT** **HOW do you determine the KEY drivers of WORKFORCE ENGAGEMENT?** HOW do you determine these drivers for different WORKFORCE groups and SEGMENTS?
- (2) **Assessment of ENGAGEMENT** **HOW do you assess WORKFORCE ENGAGEMENT?** What formal and informal assessment methods and MEASURES do you use to determine WORKFORCE satisfaction and WORKFORCE ENGAGEMENT? HOW do these methods and MEASURES differ across WORKFORCE groups and SEGMENTS? HOW do you also use other INDICATORS to assess and improve WORKFORCE ENGAGEMENT?

b. Organizational Culture **HOW do you foster an organizational culture that is characterized by open communication, HIGH PERFORMANCE, and an engaged WORKFORCE?** HOW do you reinforce your organizational culture? HOW do you ensure that your organizational culture supports your VISION and VALUES, and benefits from the diverse ideas, cultures, and thinking of your WORKFORCE? HOW do you EMPOWER your WORKFORCE? **HOW do you promote/encourage employee engagement in climate action?**

c. PERFORMANCE Management and Development

- (1) **PERFORMANCE Management** **HOW does your WORKFORCE PERFORMANCE management system support HIGH PERFORMANCE?** HOW does it consider WORKFORCE compensation, reward, recognition, and incentive practices? HOW does it reinforce
 - INTELLIGENT RISK taking.
 - a CUSTOMER and business focus, and
 - achievement of your ACTION PLANS?

- (2) **PERFORMANCE Development** **HOW does your LEARNING and development system support the personal development of WORKFORCE members and your organization's needs?** HOW does it consider the LEARNING and development desires of WORKFORCE members, support organizational PERFORMANCE improvement and INTELLIGENT RISK taking, and support ethics and ethical business practices?
- (3) **LEARNING and Development EFFECTIVENESS** **HOW do you evaluate the EFFECTIVENESS and efficiency of your LEARNING and development system?** HOW do you
 - correlate LEARNING and development outcomes with findings from your assessment of WORKFORCE ENGAGEMENT and with KEY business RESULTS, reported in category 7, and
 - use these correlations to identify opportunities for improvement both in WORKFORCE ENGAGEMENT and in LEARNING and development offerings?
- (4) **Career Development** **HOW do you manage career development for your WORKFORCE and your future leaders?** HOW do you carry out succession planning for management, leadership, and other KEY positions?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

5.2. Understanding the characteristics of high-performance work environments, in which people do their utmost for their customers' benefit and the organization's success, is key to understanding and building an engaged workforce. These characteristics are described in detail in the definition of high performance in the Glossary of Key Terms.

5.2a(1). Drivers of workforce engagement (identified in P.1a[3]) refer to the drivers of workforce members' commitment, both emotional and intellectual, to accomplishing the organization's work, mission, and vision.

5.2a(2). Other indicators to use in assessing and improving workforce engagement might include workforce retention, absenteeism, grievances, safety, and productivity.

5.2.b. Embed climate change consciousness in the organizational culture. Some of the indicators to use in assessing and improving workforce engagement in PFI include leadership's involvement as role models supporting the initiatives, regular communication to employees on Planet Friendly initiatives, encouraging voluntary participation by employees in projects, conducting training and awareness programs etc.

5.2.c. Your response should include how you address any unique considerations for workforce development, learning, and career progression that stem from your organization. Your response should also consider the breadth of development opportunities you might offer, including education, training, coaching, mentoring, and work-related experiences.

Compensation, recognition, and related reward and incentive practices include promotions and bonuses that might be based on performance, skills acquired, adaptation to new work systems and culture, and other factors. Recognition can include monetary and nonmonetary, formal and informal, and individual and group mechanisms.

5.2c(2). Your response should include how you address any considerations for workforce development, learning, and career progression that are unique to your organization. These might include development opportunities that address your organization's core competencies, strategic challenges, and action plans; organizational change and innovation; improvements in customer focus; and the reinforcement of new knowledge and skills on the job. Your response should also consider the breadth of development opportunities you might offer, including education, training, coaching, mentoring, and work-related experiences.

6 Operations (85 pts.)

The **Operations** category asks HOW your organization designs, manages, improves, and innovates its products and WORK PROCESSES and improves operational EFFECTIVENESS to deliver CUSTOMER VALUE and achieve ongoing organizational success.

6.1 Work Processes: How do you design, manage, and improve your key products and work processes? (45 pts.)

Process

a. Product and PROCESS Design

- (1) **Determination of Product and PROCESS Requirements** HOW do you determine KEY product and WORK PROCESS requirements? HOW do you address environment protection and PLANET FRIENDLY approaches in the design?
- (2) **KEY WORK PROCESSES** What are your organization's KEY WORK PROCESSES? What are the KEY requirements for these WORK PROCESSES?
- (3) **Design Concepts** HOW do you design your products and WORK PROCESSES to meet requirements? HOW do you incorporate new technology, organizational knowledge, product excellence, environmental protection, CUSTOMER VALUE, consideration of risk, and the potential need for agility into these products and PROCESSES?

b. PROCESS Management and Improvement

- (1) **PROCESS Implementation** HOW does your day-to-day operation of WORK PROCESSES ensure that they meet KEY PROCESS requirements? What KEY PERFORMANCE MEASURES or INDICATORS and in-process MEASURES do you use to control and improve your WORK PROCESSES? HOW do these MEASURES relate to end-product quality and PERFORMANCE MEASURES?
- (2) **Support PROCESSES** HOW do you determine your KEY support PROCESSES? What are your KEY support PROCESSES? HOW does your day-to-day operation of these PROCESSES ensure that they meet KEY business requirements?
- (3) **Product and Process Improvement** HOW do you improve your WORK PROCESSES and support PROCESSES to improve products and PROCESS PERFORMANCE, environment protection and enhance your CORE COMPETENCIES, and reduce variability? HOW do you improve your WORK PROCESSES and support PROCESSES to address environment protection and climate change events as appropriate?

c. Supply-Network Management

- (1) **How do you manage your supply network?** HOW do you select suppliers that are qualified and positioned to meet your operational needs, enhance your PERFORMANCE, support your STRATEGIC OBJECTIVES, and enhance your CUSTOMERS' satisfaction? HOW do you
 - promote ALIGNMENT and collaboration within your supply network;
 - ensure supply-network agility in responding to changes in CUSTOMER, market, and organizational requirements; and
 - communicate PERFORMANCE expectations, advocate environment protection measure and evaluate suppliers' PERFORMANCE, provide feedback to help them improve, and deal with poorly performing suppliers?
- (2) **HOW do you advocate environment protection and evaluate suppliers based on climate change consciousness requirements and planet friendly approaches as appropriate for long term operational sustainability?**

d. INNOVATION Management

HOW do you pursue your opportunities for INNOVATION? HOW do you pursue the STRATEGIC OPPORTUNITIES that you determine are INTELLIGENT RISKS? How do you make financial and other resources available to pursue these opportunities? How do you decide to discontinue pursuing opportunities at the appropriate time?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

6.1. The results of improvements in product and process performance should be reported in item 7.1.

6.1a(1), 6.1a(2). Your key work processes are your most important internal value-creation processes. They might include product design and delivery, customer support, and business processes. Your key work processes are those that involve the majority of your workforce and produce customer, stakeholder, and stockholder value. In contrast, projects are unique work processes intended to produce an outcome and then go out of existence.

6.1a(3). Process design also includes the need to extensively redesign a process due to changes in requirements or other factors. Agility may be needed when work processes need to change as a result of overall work system changes, such as bringing a supply-network product or process in-house to avoid disruptions in supply due to unpredictable external events triggered by climate change, or outsourcing a product or process formerly carried out in-house.

Product design may consider usage of sustainable materials, recyclability, durability, and accessibility while driving profitability and positively impacting the environment.

6.1b(2). Your key support processes should support your value-creation processes. They might include processes that support leaders and other workforce members engaged in, for example, product design and delivery, customer interactions, and business and enterprise management. Examples might include accounting and purchasing.

6.1b(3). Your approaches to improve process performance and reduce variability should be part of the performance improvement system you describe in P.2c in the Organizational Profile.

6.1c. To ensure that suppliers are positioned to meet operational needs and enhance your performance and your customers' satisfaction, you might partner with suppliers or form alliances among multiple organizations within the supply network for mutual benefit. Communication of expectations and feedback to suppliers should be two-way, allowing suppliers to express what they need from you and other organizations within the supply network. For many organizations, these mechanisms may change as market-place, customer, or stakeholder requirements change.

6.1d. Your process for managing opportunities for innovation should capitalize on strategic opportunities identified in 2.1a(2).

6.2 Operational Effectiveness: How do you ensure effective management of your operations? (40 pts.)

Process

a. PROCESS Efficiency and EFFECTIVENESS

HOW do you manage the cost, efficiency, and EFFECTIVENESS of your operations? HOW do you

- incorporate CYCLE TIME, PRODUCTIVITY, and other efficiency and EFFECTIVENESS factors into your WORK PROCESSES;
- prevent defects, service errors, and rework;
- minimize warranty costs or CUSTOMERS' PRODUCTIVITY losses, as appropriate;
- minimize the costs of inspections, tests, and PROCESS or PERFORMANCE audits, as appropriate; and
- balance the need for cost control and efficiency with the needs of your CUSTOMERS?

b. Management of Information Systems

(1) Reliability HOW do you ensure the reliability of your information systems?

(2) Security and Cybersecurity HOW do you ensure the security and cybersecurity of sensitive or privileged data and information and of KEY assets? HOW do you manage physical and electronic data, information, and KEY operational systems to ensure confidentiality and only appropriate physical and electronic access? HOW do you

- maintain your awareness of emerging security and cybersecurity threats;
- ensure that your WORKFORCE, CUSTOMERS, PARTNERS, and suppliers understand and fulfill their security and cybersecurity roles and responsibilities;
- identify and prioritize KEY information technology and operational systems to secure; and
- protect these systems from potential cybersecurity events, detect cybersecurity events, and respond to and recover from cybersecurity incidents?

c. Safety and Emergency Preparedness

(1) Safety HOW do you provide a safe operating environment? HOW does your safety system address accident prevention, inspection, root-cause ANALYSIS of failures, and recovery?

(2) Business Continuity HOW do you ensure that your organization is prepared for disasters or emergencies? HOW does your disaster and emergency preparedness system consider prevention, continuity of operations, and recovery? HOW does your disaster and emergency preparedness system take into account your reliance on your WORKFORCE, supply network, and PARTNERS? HOW do you ensure that your information technology systems continue to be secure and available to serve CUSTOMERS and meet business needs?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

6.2b. For examples of what your information technology systems might include, see the note to 4.2a(2).

6.2b. Managing cybersecurity includes protecting against the loss of sensitive information about employees, customers, and organizations; protecting assets, including intellectual property; and protecting against the financial, legal, and reputational aspects of breaches. There are many

sources for general and industry-specific cybersecurity standards and practices.

6.2c(2). Disasters and emergencies might be related to weather, climate, utilities, security, or a local or national emergency. The extent to which you prepare for disasters or emergencies will depend on your organization's environment and its sensitivity to disruptions of operations. Acceptable levels of risk will vary depending on the nature of your products, services, supply network, and stakeholder needs and expectations.

7 Results (450 pts.)

The **RESULTS** category asks about your organization's PERFORMANCE and improvement in all KEY areas – product and PROCESS RESULTS; CUSTOMER RESULTS; WORKFORCE RESULTS; leadership and GOVERNANCE RESULTS; and financial, market, and strategy RESULTS. The category asks about PERFORMANCE LEVELS relative to those of competitors and other organizations with similar product offerings.

7.1 Product and Process Results: What are your product performance and process effectiveness and PLANET FRIENDLY INITIATIVE results? (120 pts.)

Results

a. CUSTOMER-Focused Product and Service RESULTS

What are your RESULTS for your products and your CUSTOMER service PROCESSES? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of the PERFORMANCE of products and services that are important to and directly serve your CUSTOMERS? How do these results compare with the performance of your competitors and other organizations with similar offerings? How do these RESULTS differ by product offerings, CUSTOMER groups, and market SEGMENTS, as appropriate?

b. Work PROCESS EFFECTIVENESS RESULTS

(1) Process EFFECTIVENESS and Efficiency What are your PROCESS EFFECTIVENESS and efficiency RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of the operational PERFORMANCE of your KEY WORK and support PROCESSES, including PRODUCTIVITY, CYCLE TIME, and other appropriate MEASURES of PROCESS EFFECTIVENESS, efficiency, security and cybersecurity, and INNOVATION? How do these RESULTS differ by PROCESS types, as appropriate?

(2) Safety and Emergency Preparedness What are your safety and emergency preparedness RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of the EFFECTIVENESS of your organization's safety system and its preparedness for disasters or emergencies? How do these RESULTS differ by location or PROCESS type, as appropriate?

c. Supply-Network Management RESULTS

What are your supply-network management RESULTS? What are your RESULTS for KEY MEASURES or INDICATORS of the PERFORMANCE of your supply network, including its contribution to enhancing your PERFORMANCE?

d. Results of PLANET FRIENDLY INITIATIVES

What are your product / service results with respect to the effectiveness of your PLANET FRIENDLY INITIATIVES? What are your results with respect to efficiency of your planet friendly work process initiatives? What are the results of your planet friendly supply chain initiatives?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

7. There is not a one-to-one correspondence between results items and Criteria categories 1–6. Results should be considered systemically, with contributions to individual results items frequently stemming from processes in more than one Criteria category.

The IMCRBNQA scoring system (pages 29–34) asks for current, trended, comparative, and segmented data, as appropriate, to provide key information for analyzing and reviewing your organizational performance (item 4.1), to demonstrate use of organizational knowledge (item 4.2), and to provide the operational basis for customer-focused results (item 7.2) and financial, market, and strategy results (item 7.5).

In a few areas, your results may be qualitative in nature or not amenable to trending over time. Some examples are results for governance accountability, training hours for suppliers on new products or processes, and results for limited or one-time projects or processes.

Comparative data and information are obtained by benchmarking (inside and outside your industry, as appropriate) and by seeking competitive comparisons. In a few cases, such as results for projects or processes that are unique to your organization, comparative data may not be available or appropriate.

7.1a. Results for your products and customer service processes should relate to the key customer requirements and expectations you identify in P.1b(2), which are based on information

gathered through processes you describe in category 3. The measures or indicators should address factors that affect customer preference, such as those listed in the notes to P.1b(2) and 3.1b.

7.1a. *For some nonprofit (including government) organizations, funding sources might mandate product or service performance measures. These measures should be identified and reported here.*

7.1b. Results should address the key operational requirements you identify in the Organizational Profile and in category 6.

7.1b. Appropriate measures and indicators of work process effectiveness might include defect rates; rates and results of product, service, and work system innovation; results for simplification of internal jobs and job classifications; waste reduction; work layout improvements; changes in supervisory ratios; Occupational Safety and Health Administration (OSHA) reportable incidents; measures or indicators of the success of emergency drills or simulations, such as cycle time, containment, and meeting of standards; and results for work relocation or contingency exercises.

7.1c. Appropriate measures and indicators of supply-network performance might include supplier and partner audits; just-in-time delivery; and acceptance results for externally provided products, services, and processes. Measures and indicators of contributions to enhancing your performance might include those for improvements in sub-assembly performance and in supplier services to customers.

7.2 Customer Results: What are your customer-focused performance results? (80 pts.)

Results

a. CUSTOMER-Focused RESULTS

- (1) CUSTOMER Satisfaction** What are your CUSTOMER satisfaction and dissatisfaction RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of CUSTOMER satisfaction and dissatisfaction? How do these RESULTS differ by product offerings, CUSTOMER groups, and market SEGMENTS, as appropriate? What are the customer satisfaction results of your PLANET FRIENDLY INITIATIVES?
- (2) CUSTOMER ENGAGEMENT** What are your CUSTOMER ENGAGEMENT RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of CUSTOMER ENGAGEMENT, including those for building CUSTOMER relationships? How do these RESULTS compare over the course of your CUSTOMER life cycle, as appropriate? How do these RESULTS differ by product offerings, CUSTOMER groups, and market SEGMENTS, as appropriate? What are the customer engagement results of your PLANET FRIENDLY INITIATIVES?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

7.2. Results for customer satisfaction, dissatisfaction, and engagement should relate to the customer groups and market segments you identify in P.1b(2) and the listening and determination methods you report in category 3.

7.2a(1). For customers' satisfaction with your products relative to satisfaction with those of competitors and comparable organizations, measures and indicators might include information and data from your customers, from competitors' customers, and from independent organizations.

7.3 Workforce Results: What are your workforce-focused performance results? (80 pts.)

Results

a. WORKFORCE-FOCUSED RESULTS

- (1) WORKFORCE CAPABILITY and CAPACITY** **What are your WORKFORCE CAPABILITY and CAPACITY RESULTS?** What are your current LEVELS and TRENDS in KEY MEASURES of WORKFORCE CAPABILITY and CAPACITY, including appropriate skills and staffing levels? How do these RESULTS differ by the DIVERSITY of your WORKFORCE and by your WORKFORCE groups and SEGMENTS, as appropriate?
- (2) WORKPLACE Climate** **What are your WORKPLACE climate results?** What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of your WORKFORCE climate, including those for WORKFORCE health, security, accessibility, and services and benefits, as appropriate? How do these RESULTS differ by the DIVERSITY of your WORKFORCE and by your WORKFORCE groups and SEGMENTS, as appropriate? What are the results of your planet friendly initiatives with respect to workplace climate?
- (3) WORKFORCE ENGAGEMENT** **What are your WORKFORCE ENGAGEMENT results?** What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of WORKFORCE satisfaction and WORKFORCE ENGAGEMENT? How do these RESULTS differ by the DIVERSITY of your WORKFORCE and by your WORKFORCE groups and SEGMENTS, as appropriate? What are the results of your workforce satisfaction and workforce engagement with respect to your planet friendly initiatives?
- (4) WORKFORCE Development** **What are your WORKFORCE and leader development RESULTS?** What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of WORKFORCE and leader development? How do these RESULTS differ by the DIVERSITY of your WORKFORCE and by your WORKFORCE groups and SEGMENTS, as appropriate? What are the results of your planet friendly initiatives with respect to workforce development?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

7.3. Results reported in this item should relate to the processes, measures, and indicators you report in category 5. Your results should also respond to

the key work process needs you report in category 6 and to the action plans and workforce plans you report in item 2.2. Organizations that rely on volunteers or interns should report results for them, as appropriate.

7.4 Leadership and Governance Results: What are your senior leadership and governance results? (80 pts.)

Results

a. Leadership, GOVERNANCE, and Societal Contribution and PLANET FRIENDLY INITIATIVE RESULTS

- (1) **Leadership** What are your RESULTS for SENIOR LEADERS' communication and engagement with the WORKFORCE, PARTNERS, and CUSTOMERS? What are your RESULTS for KEY MEASURES or INDICATORS of SENIOR LEADERS' communication and engagement with the WORKFORCE, PARTNERS, and CUSTOMERS to DEPLOY your VISION and VALUES, encourage two-way communication, and create a focus on action? How do these RESULTS differ by organizational units and customer groups, as appropriate?
- (2) **GOVERNANCE** What are your RESULTS for GOVERNANCE accountability? What are your RESULTS for KEY MEASURES or INDICATORS of GOVERNANCE and internal and external fiscal accountability, as appropriate?
- (3) **Law and Regulation** What are your legal and regulatory RESULTS? What are your RESULTS for KEY MEASURES or INDICATORS of meeting and surpassing regulatory and legal requirements? How do these RESULTS differ by organizational units, as appropriate?
- (4) **Ethics** What are your results for ethical behavior? What are your RESULTS for KEY MEASURES or INDICATORS of ETHICAL BEHAVIOR, breaches of ETHICAL BEHAVIOR, and STAKEHOLDER trust in your SENIOR LEADERS and GOVERNANCE? How do these RESULTS differ by organizational units, as appropriate?
- (5) **SOCIETY** What are your RESULTS for societal well-being and support of your key communities? What are your RESULTS for KEY MEASURES or INDICATORS of your societal contributions and support of your KEY communities?
- (6) **PLANET FRIENDLY INITIATIVES:** What are the RESULTS for leadership actions with respect to PLANET FRIENDLY INITIATIVES?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

7.4. Most of the requirements in this item do not ask for levels and trends. The reason is that some significant results may be either qualitative in nature or do not trend over time. Examples could be results of intelligent risk taking and governance accountability. For such results, qualitative explanation may be more meaningful than current levels and trends. For results that are numeric and trendable, you should report levels and trends. Examples could be the number of unqualified or clean audits, OSHAS or other regulatory findings.

7.4a(1). Responses should include results relating to the communication processes you identify in item 1.1.

7.4a(2). Responses might include financial statement issues and risks, important internal and external audit or recommendations, and management's responses to these matters.

7.4a(3). Legal and regulatory results should relate to the processes and measures you report in 1.2b.

Workforce-related occupational safety and health results.

7.4a(4). For examples of measures of ethical behavior and stakeholder trust, see the note to 1.2b(2).

7.4a(5). Measures of contributions to societal well-being might include those for reduced energy consumption, the use of renewable energy resources and recycled water, reduction of your carbon footprint, waste reduction and utilization, alternative approaches to conserving resources (e.g., increased virtual meetings), and the global use of enlightened labor practices.

7.4a(6). Measures of environmental initiatives could include reduction in all forms of pollution (Air, soil, water, noise and material). Recycling of waste, input resources and end of life material or products. Substitution of fossil fuel with use of renewable energy resources, recycled water, reduction in carbon footprint, carbon neutrality, alternative approaches to conserving resources and other planet friendly initiatives

7.5 Financial, Market, and Strategy Results: What are your results for financial viability and strategy implementation? (90 pts.)

Results

a. Financial and Market RESULTS

- (1) **Financial PERFORMANCE** What are your financial PERFORMANCE RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of financial PERFORMANCE, including aggregate MEASURES of financial return, financial viability, and budgetary PERFORMANCE, as appropriate? How do these RESULTS differ by market SEGMENTS and CUSTOMER groups, as appropriate?
- (2) **Marketplace PERFORMANCE** What are your marketplace PERFORMANCE RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of marketplace PERFORMANCE, including market share or position, market and market share growth, and new markets entered, as appropriate? How do these RESULTS differ by market SEGMENTS and CUSTOMER groups, as appropriate?

b. Strategy Implementation RESULTS

What are your RESULTS for the achievement of your organizational strategy and ACTION PLANS? What are your RESULTS for KEY MEASURES or INDICATORS of the achievement of your organizational strategy and ACTION PLANS? What are your RESULTS for taking INTELLIGENT RISKS? What are the RESULTS of your organization's PLANET FRIENDLY INITIATIVES?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

Notes

7.5a. Results should relate to the financial measures you report in 4.1a(1) and the financial management approaches you report in item 2.2.

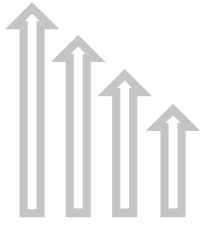
7.5a(1). Aggregate measures of financial return might include those for return on investment (ROI), operating margins, profitability, or profitability by market segment or customer group. Measures of financial viability might

include those for liquidity, debt-to-equity ratio, days cash on hand, asset utilization, and cash flow. For nonprofit (including government) organizations, measures of performance to budget might include additions to or subtractions from reserve funds; cost avoidance or savings; responses to budget decreases;

lowering of costs to customers or return of funds as a result of increased efficiency; administrative expenditures as a percentage of budget; and the cost of fundraising versus funds raised.

7.5a(2). For nonprofit organizations, responses might include measures of charitable donations or grants and the number of new programs or services offered.

7.5b. Measures or indicators of strategy and action plan achievement should relate to the strategic objectives and goals you report in 2.1b(1), the elements of risk you report in 2.1a(3), and the action plan performance measures and projected performance you report in 2.2a(5) and 2.2a(6), and the results of your introduction to planet friendly products and services respectively.



Scoring System

The scoring of responses to IMCRBNQA Criteria for Performance Excellence items is based on two evaluation dimensions: process (categories 1–6) and results (category 7).

To score Criteria responses, consider the following information relative to the item questions and the scoring guidelines (pages 54–59):

- The key business factors presented in the Organizational Profile
- The maturity and appropriateness of the approaches, the breadth of their deployment, and the strengths of the learning and improvement process
- The level of performance and how results compare to those of other, relevant organizations or benchmarks

Scoring Dimensions

Process

Process refers to the methods your organization uses and improves. Processes address the questions in categories 1–6. The four factors used to evaluate process are *approach*, *deployment*, *learning*, and *integration* (ADLI). IMCRBNQA-based feedback reflects strengths and opportunities for improvement in these factors. A score for a process item is based on a holistic assessment of your overall performance, taking into account the four process factors.

Approach comprises

- the methods used to carry out the process,
- the appropriateness of these methods to the item questions and your operating environment,

- the effectiveness of your use of the methods, and
- the degree to which the approach is repeatable and based on reliable data and information (i.e., systematic).

Deployment is the extent to which

- your approach addresses item questions that are relevant and important to your organization,
- your approach is applied consistently, and
- your approach is used by all appropriate work units.

Learning comprises

- the refinement of your approach through cycles of evaluation and improvement,
- the encouragement of breakthrough change to your approach through innovation, and
- the sharing of refinements and innovations with other relevant work units and processes in your organization.

See “From Fighting Fires to Innovation” on page 56, which illustrates a progression through the maturity levels for this scoring dimension.

Integration is the extent to which

- your approach is aligned with the organizational needs identified in the Organizational Profile and other process items;
- your measures, information, and improvement systems are complementary across processes and work units; and
- your plans, processes, results, analyses, learning, and actions are harmonized across processes and work units to support organization-wide goals.

In scoring process items, keep in mind that approach, deployment, learning, and integration are linked. Descriptions of approach should always indicate the deployment—consistent with the specific questions in the item and your organization. As processes mature, the description should also show cycles of learning (including innovation), as well as integration with other processes and work units (see “Steps toward Mature Processes,” page 56).

Results

Results are the outputs and outcomes your organization achieves, which address the questions in category 7. The four factors used to evaluate results are *levels*, *trends*, *comparisons*, and *integration* (LeTCI). A score for a results item is based on a holistic assessment of your overall performance, taking into account the four results factors.

Levels are your current performance on a meaningful measurement scale.

Trends comprise your rate of performance improvement or continuation of good performance in areas of importance (i.e., the slope of data points over time).

Comparisons comprise your performance relative to that of other, appropriate organizations, such as competitors or organizations similar to yours, or benchmarks.

Integration is the extent to which your results measures (often through segmentation) address important performance requirements relating to customers, products, markets, processes, action plans, and organization-wide goals identified in your Organizational Profile and in process items.

In the scoring of results items, look for data on performance levels, trends, and relevant comparisons for key measures and indicators of your organization’s performance, as well as integration with your organization’s key requirements.

Results items should also show data on the breadth of the performance results reported. This is

directly related to deployment and organizational learning; if improvement processes are widely shared and deployed, there should be corresponding results.

“Importance” as a Scoring Consideration

A critical consideration in IMC RBNQA evaluation and feedback is the importance of your reported processes and results to your key business factors. The areas of greatest importance should be identified in your Organizational Profile and in items such as 2.1, 2.2, 3.2, 5.1, 5.2, and 6.1. Your key customer requirements, competitive environment, workforce needs, key strategic objectives, and action plans are particularly important.

How to Score an Item Response

Follow these steps in assigning a score to an item response.

Read the scoring guidelines (pages 54–59).

Choose the scoring range (e.g., 30–45%, 50–65%, or 70–85%) that is most descriptive of the organization’s achievement level as presented in the item response.

Choose this range based on a holistic view of either the four process factors (ADLI) or the four results factors (LeTCI) in aggregate. In this holistic view, the scoring range to assign is the one that best reflects the applicant’s response as a whole; do not tally or average independent assessments of each of the four factors. No one evaluation factor serves as a “gate” that keeps the score out of a higher range.

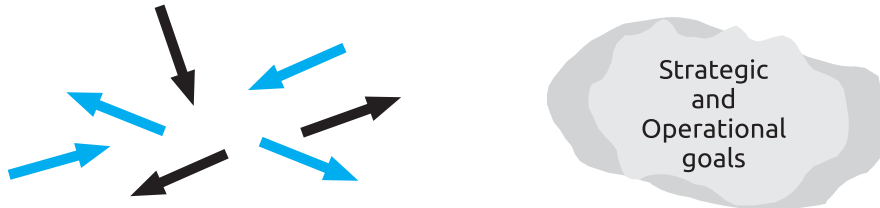
The “most descriptive” range is not necessarily a perfect fit. It often reflects some gaps between the response and the description of one or more of the factors in the chosen scoring range.

Read the next higher and the next lower scoring ranges. Assign a score (e.g., 75% or 80%) within the chosen range by evaluating whether the item response as a whole is closer to the statements in the next higher or the next lower scoring range.

Steps Toward Mature Processes

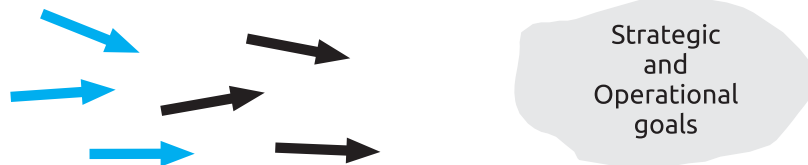
An Aid for Assessing and Scoring Process Items

1. Reacting to Problems (0-25%)



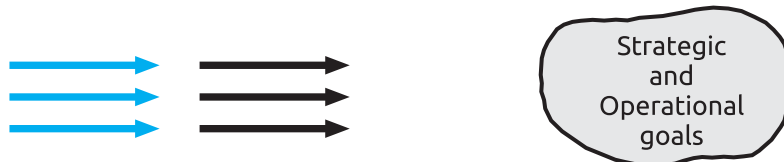
Operations are characterized by activities rather than by processes and they are largely responsive to immediate needs or problems. Goals are poorly defined.

2. Early Systematic Approaches (30-45%)



Operations are characterized by activities rather than by processes, and they are largely responsive to immediate needs or problems. Goals are poorly defined.

3. Aligned Approaches (50-65%)



The organization is beginning to carry out operations with repeatable processes, evaluation, and improvement, and there is some early coordination among organizational units. Strategy and quantitative goals are being defined.

4. Integrated Approaches (70-100%)



Operations are characterized by repeatable processes that are regularly evaluated for improvement. Learnings are shared, and there is coordination among organizational units. Processes address key strategies and goals.

Process Scoring Guidelines (For Use with Categories 1 - 6)

SCORE	DESCRIPTION
0% or 5%	<ul style="list-style-type: none"> No SYSTEMATIC APPROACH to Item requirements is evident; information is ANECDOTAL. (A) Little or no DEPLOYMENT of any SYSTEMATIC APPROACH is evident. (D) An improvement orientation is not evident; improvement is achieved by reacting to problems. (L) No organizational ALIGNMENT is evident; individual areas or work units operate independently. (I)
10%, 15%, 20%, or 25%	<ul style="list-style-type: none"> The beginning of a SYSTEMATIC APPROACH to the BASIC QUESTION of the Item is evident. (A) The APPROACH is in the early stages of DEPLOYMENT in most areas or work units, inhibiting progress in achieving the BASIC QUESTION in the Item. (D) Early stages of a transition from reacting to problems to a general improvement orientation are evident. (L) The APPROACH is ALIGNED with other areas or work units largely through joint problem solving. (I)
30%, 35%, 40%, or 45%	<ul style="list-style-type: none"> An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the BASIC QUESTION in the Item, is evident. (A) The APPROACH is DEPLOYED, although some areas or work units are in early stages of DEPLOYMENT. (D) The beginning of a SYSTEMATIC APPROACH to evaluation and improvement of KEY PROCESSES is evident. (L) The APPROACH is in the early stages of ALIGNMENT with your basic organizational needs identified in response to the Organizational Profile and other Process Items. (I)
50%, 55%, 60%, or 65%	<ul style="list-style-type: none"> An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the OVERALL QUESTIONS in the Item, is evident. (A) The APPROACH is well DEPLOYED, although DEPLOYMENT may vary in some areas or work units. (D) A fact-based, SYSTEMATIC evaluation and improvement PROCESS and some organizational LEARNING, including INNOVATION, are in place for improving the efficiency and EFFECTIVENESS of KEY PROCESSES. (L) The APPROACH is ALIGNED with your overall organizational needs identified in response to the Organizational Profile and other Process Items. (I)
70%, 75%, 80%, or 85%	<ul style="list-style-type: none"> An EFFECTIVE, SYSTEMATIC APPROACH, responsive to MULTIPLE QUESTIONS in the Item, is evident. (A) The APPROACH is well DEPLOYED, with no significant gaps. (D) Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING, including INNOVATION, are KEY management tools; there is clear evidence of refinement as a result of organizational-level ANALYSIS and sharing. (L) The APPROACH is INTEGRATED with your current and future organizational needs identified in response to the Organization Profile and other Process Items. (I)
90%, 95%, or 100%	<ul style="list-style-type: none"> An EFFECTIVE, SYSTEMATIC APPROACH, fully responsive to the MULTIPLE QUESTIONS in the Item, is evident. (A) The APPROACH is fully DEPLOYED without significant weaknesses or gaps in any areas or work units. (D) Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING through INNOVATION are KEY organization-wide tools; refinement and INNOVATION, backed by ANALYSIS and sharing, are evident throughout the organization. (L) The APPROACH is well INTEGRATED with your current and future organizational needs identified in response to the Organizational Profile and other Process Items. (I)

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

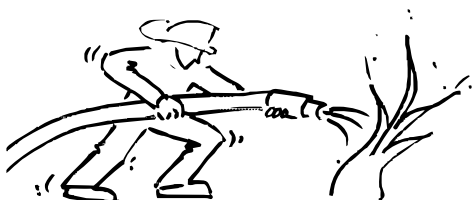
Results Scoring Guidelines (For Use with Categories 7)

SCORE	DESCRIPTION
0% or 5%	<ul style="list-style-type: none"> • There are no organizational PERFORMANCE RESULTS, or the RESULTS reported are poor. (Le) • TREND data either are not reported or show mainly adverse TRENDS. (T) • Comparative information is not reported. (C) • RESULTS are not reported for any areas of importance to the accomplishment of your organization's MISSION. (I) .
10%, 15%, 20%, or 25%	<ul style="list-style-type: none"> • A few organizational PERFORMANCE RESULTS are reported, responsive to the BASIC QUESTION in the item, and early good PERFORMANCE LEVELS are evident. (Le) • Some TREND data are reported, with some adverse TRENDS evident. (T) • Little or no comparative information is reported. (C) • RESULTS are reported for a few areas of importance to the accomplishment of your organization's MISSION. (I).
30%, 35%, 40%, or 45%	<ul style="list-style-type: none"> • Good organizational PERFORMANCE LEVELS are reported, responsive to the BASIC QUESTION in the item. (Le) • Some TREND data are reported and a most of the TRENDS presented are beneficial. (T). • Early stages of obtaining comparative information are evident. (C) • RESULTS are reported for many areas of importance to the accomplishment of your organization's MISSION. (I).
50%, 55%, 60%, or 65%	<ul style="list-style-type: none"> • Good organizational PERFORMANCE LEVELS are reported, responsive to the OVERALL REQUIREMENTS in the item. (Le) • Beneficial TRENDS are evident in areas of importance to the accomplishment of your organization's MISSION. (T) • Some current PERFORMANCE LEVELS have been evaluated against relevant comparisons and/or BENCHMARKS and show areas of good relative PERFORMANCE. (C) • Organizational PERFORMANCE RESULTS are reported for most KEY CUSTOMER, market and PROCESS requirements. (I).
70%, 75%, 80%, or 85%	<ul style="list-style-type: none"> • Good to excellent organizational PERFORMANCE LEVELS are reported, responsive to the MULTIPLE QUESTIONS of the item. (Le) • Beneficial TRENDS have been sustained over time in most areas of importance to the accomplishment of your organization's MISSION. (T) • Many to most TRENDS and current PERFORMANCE LEVELS have been evaluated against relevant comparisons and/or BENCHMARKS and show areas of leadership and very good relative PERFORMANCE. (C) • Organizational PERFORMANCE RESULTS are reported for most KEY CUSTOMER, market, PROCESS and ACTION PLAN requirements. (I)
90%, 95%, or 100%	<ul style="list-style-type: none"> • Excellent organizational PERFORMANCE LEVELS are reported that are fully responsive to the MULTIPLE QUESTIONS in the item. (Le) • Beneficial TRENDS have been sustained over time in all areas of importance to the accomplishment of your organization's MISSION. (T) • Industry and BENCHMARK leadership is demonstrated in many areas. (C) • Organizational PERFORMANCE RESULTS and PROJECTIONS are reported for most KEY CUSTOMER, market, PROCESS and ACTION PLAN requirements. (I)

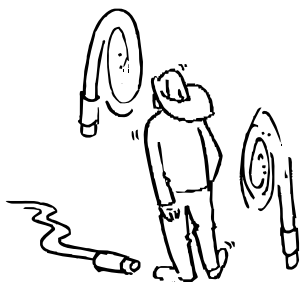
Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 11–22).

From Fighting Fires to Innovation: An Analogy for Learning

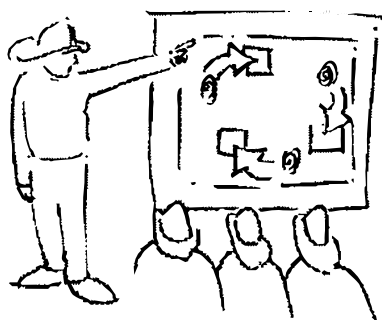
Learning is an essential attribute of high-performing organizations. Effective, well-deployed organizational learning can help an organization improve from the early stages of reacting to problems to the highest levels of organization-wide improvement, refinement, and innovation.



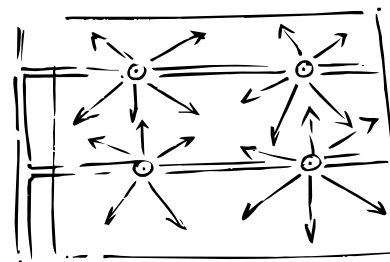
- 1 Reacting to the problem (0-5%)**
Run with the hose and put out the fire.



- 2 General improvement orientation (10-25%)**
Install more fire hoses to get to the fires quickly and reduce their impact.

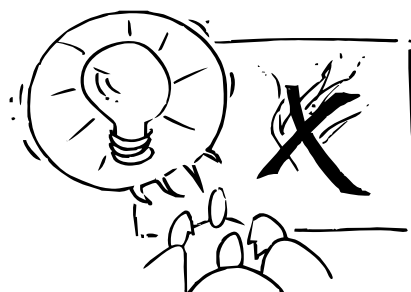


- 3 Systematic evaluation and improvement (30-45%)**
Evaluate which locations are most susceptible to fire. Install heat sensors and sprinklers in those locations.



- 4 Learning and strategic improvement (50-65%)**

Install systemwide heat sensors and a sprinkler system that is activated by the heat preceding fires.



- 5 Organizational analysis and innovation (70-100%)**

Use fireproof and fire-retardant materials. Replace combustible liquids with water-based liquids. Prevention is the primary approach for protection, with sensors and sprinklers as the secondary line of protection. This approach has been shared with all facilities and is practiced in all locations.



How to Respond to the Criteria

These guidelines explain how to respond most effectively to the questions in the 17 process and results Criteria items. This information is intended mainly for applicants for IMC RBNQA-based awards, but it is also useful to organizations that are using the Criteria for self-assessment. See also the Scoring System, including the scoring guidelines (pages 54–59), which describes how to assess responses and determine your organization's performance accomplishments.

FIRST STEPS

1. Learn about the IMC RBNQA framework.

Become familiar with the following sections, which provide a full orientation to the IMC RBNQA framework:

- Criteria for Performance Excellence (pages 25–53)
- Scoring System (pages 54–59)
- Glossary of Key Terms (pages 11–22)

2. Understand how to read and respond to a Criteria item.

Review the Criteria for Performance Excellence Structure (page 24), which shows the types of items, the different parts of the items, and the role of each part. Pay particular attention to the multiple questions within the areas to address and the notes.

Some item questions include multiple parts. To respond fully, address all the questions, as missing information will be interpreted as a gap in your performance management system. Taken together, the multiple questions express the full meaning of the area to address. In responding, you may want to group responses to these questions in a way that is

appropriate to your organization. You do not need to answer each question separately.

3. Review the scoring guidelines.

Consider both the Criteria and the scoring guidelines (pages 54–59) as you prepare your responses. In responding to the questions in the process items (categories 1–6), include information on the process evaluation factors in the scoring guidelines: the maturity of your approaches, the extent of their deployment, the extent of learning, and the extent of integration with other elements of your performance management system.

Similarly, in responding to the questions in the results items (category 7), include information on the results evaluation factors in the scoring guidelines: the actual performance levels, the significance of the results trends, relevant comparative data, integration with important elements of your performance management system, and the results of the improvement process. The “goodness” of your responses to the Criteria questions is determined through consideration of the evaluation dimensions (ADLI/LeTCI; see “Responding to Process Items” and “Responding to Results Items” below).

4. Understand the meaning of key terms.

Many terms in the Criteria and scoring guidelines have meanings that may differ somewhat from common meanings. When this is the case, the term is printed in *small caps* and defined in the Glossary of Key Terms (pages 11–22). Understanding these terms can help you accurately self-assess your organization and communicate your processes and results to

those reviewing your responses and planning your improvement efforts.

5. **Start with the Organizational Profile.**

The Organizational Profile (pages 25–28) is the most appropriate starting point. Whether you are using the Criteria as a leadership and management guide, or for self-assessment, writing an application, or reviewing either of these, the Organizational Profile helps you understand what is most relevant and important to your organization's business, mission, and performance.

Responding to Process Items

Although the Criteria focus on key organizational performance results, these results by themselves offer little *diagnostic* value. For example, if some results are poor or are improving at rates slower than your competitors' or comparable organizations' results, you need to understand why this is so and what you might do to accelerate improvement.

Your responses to process items (categories 1–6) permit you or those who are reviewing your responses to diagnose your organization's *most important* processes—the ones that contribute most to organizational performance improvement and result in key outcomes or performance results. This diagnosis and the quality of the feedback you receive depend heavily on the content and completeness of your responses. For this reason, respond to these items by providing information on your *key* processes. Guidelines for organizing and reviewing such information follow.

1. **Understand the meaning of *how*.**

In responding to questions in process items that begin with *how*, give information on your key processes with regard to approach, deployment, learning, and integration (ADLI; see the Scoring System, page 54-59). Responses lacking such information, or merely providing an example, are referred to in the scoring guidelines as *anecdotal information*.

Show that approaches are systematic.

Systematic approaches are repeatable and use data and information to enable learning. In other words, approaches are systematic if they build in the opportunity for evaluation, improvement,

innovation, and knowledge sharing, thereby enabling a gain in maturity.

Show deployment. In your responses, summarize how your approaches are implemented in different parts of your organization.

Show evidence of learning. Give evidence of evaluation and improvement cycles for processes, as well as the potential for innovation. Show that process improvements are shared with other appropriate units of your organization to enable organizational learning.

Show integration. Integration is alignment and harmonization among processes, plans, measures, actions, and results. This harmonization greatly increases organizational effectiveness and efficiencies.

Showing alignment in the process items and tracking corresponding measures in the results items should improve organizational performance. In your responses, show alignment in four areas:

- In the Organizational Profile, make clear what is important to your organization.
- In Strategy (category 2), including the strategic objectives, action plans, and core competencies, highlight your organization's areas of greatest focus and describe how you deploy your strategic plan.
- In describing organizational-level analysis and review (item 4.1), show how you analyze and review performance information as a basis for setting priorities.
- In Strategy (category 2) and Operations (category 6), highlight the work systems and work processes that are key to your organization's overall performance.

2. **Understand the meaning of *what*.**

What questions set the context for showing alignment and integration in your performance management system. For example, when you identify key strategic objectives, your action plans, some performance measures, and some results in category 7 are expected to relate to those strategic objectives.

Two types of questions in process items begin with *what*. The first requests basic information on key processes and how they work. The second asks

you to report key findings, plans, objectives, goals, or measures.

Responding to Results Items

1. Focus on your organization's most critical performance results.

Report results that cover the most important requirements for your organization's success, as highlighted in the Organizational Profile and in the Leadership, Strategy, Customers, Workforce, and Operations categories.

2. Report levels, trends, and comparisons, and show integration.

Report performance levels on a meaningful measurement scale.

Report trends to show the directions of results and rates of change in areas of importance. A minimum of three historical data points is generally needed to ascertain the beginnings of a trend. Trends represent historic and current performance, not projected (future) performance. There is no minimum period for trend data; time intervals between data points should be meaningful for the measure(s) you report. Trends might span five or more years or less than one year, depending on what is meaningful. For important results, include new data even if trends are not yet well established. *Explain trends that show a significant beneficial or adverse change.*

Report comparisons to show how your results compare with those of other, appropriately selected organizations or benchmarks.

Show integration by including all results that are important to your organization and segmenting them appropriately (e.g., by important customer, workforce, process, and product-line groups, usually outlined in the Organizational Profile).

Responding Efficiently

1. Cross-reference when appropriate.

Ensure that each item response is as self-contained as possible and that responses to different items are mutually reinforcing. To accomplish this, refer to other responses rather than repeat information. In such cases, give key process information in the item requesting that information. For example, you would describe workforce development and learning systems in item 5.2. Discussions about workforce

development and learning elsewhere in your application would then reference but not repeat details given in item 5.2.

2. Use a compact format.

To make the best use of space, use flowcharts, tables, and lists to present information concisely. Page limits for IMCRBNQA Award and IMCRBNQA-based award applications are designed to force your organization to consider what is most important in managing your enterprise and reporting your results.

3. Use graphs and tables.

You can report many results compactly by using graphs and tables. When you report results over time or compare them with others, "normalize" them (i.e., present them in a way—for example, as ratios—that takes size factors into account). For example, if the number of employees has varied over the period or if you are comparing your results to those of organizations differing in size, safety trends will be more meaningful if you report them as lost workdays per 100 employees rather than as total lost workdays.

The graph below shows one part of a possible response to item 7.1, Product and Process Results. In the Organizational Profile, the organization has identified Six Sigma as a key element of its performance improvement system. Defects per million opportunities is one of its measures.

The graph illustrates a number of characteristics of clear and effective results reporting:

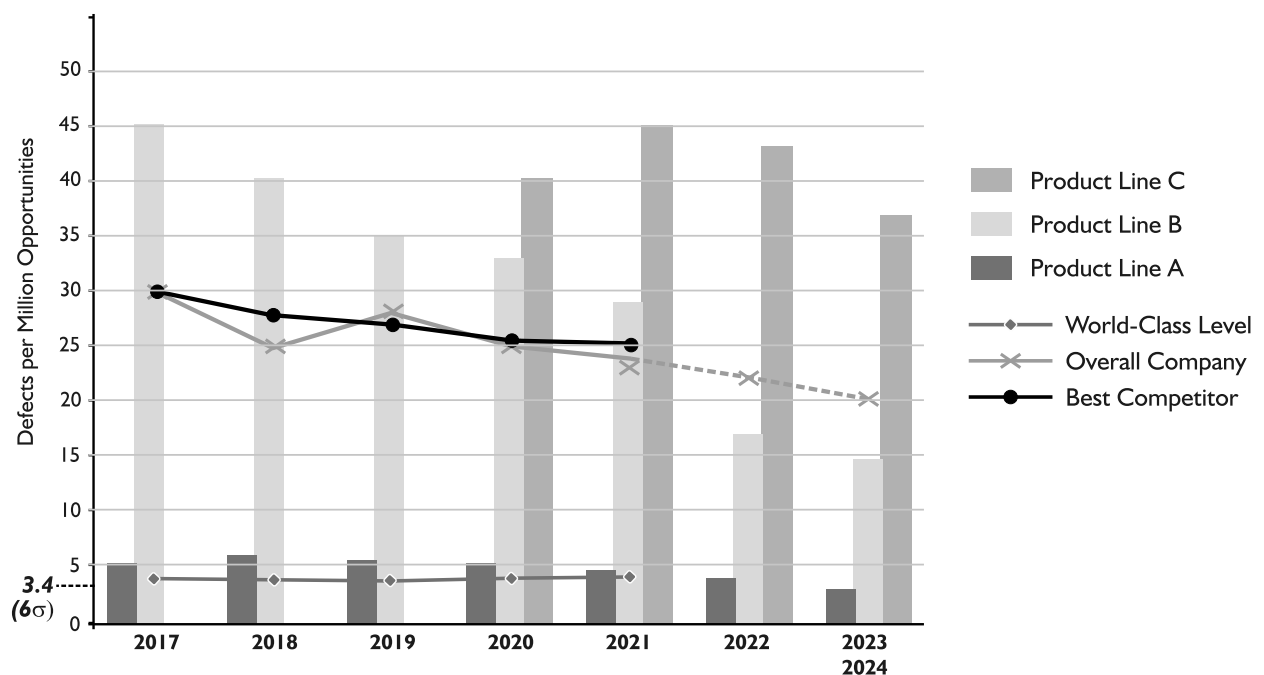
- Both axes and units of measure are clearly labeled.
- Levels and trends are reported for a key performance measure—defects per million opportunities.
- Results are presented for several years.
- An arrow indicates that a downward trend is good for this measure.
- Appropriate comparisons are shown clearly.
- In a single graph, the organization segments its results for its three product lines, showing that they are tracked separately.
- The organization projects improved performance, including discontinuous or breakthrough improvement in 2019 relative to prior performance for product line B. The text

should explain this breakthrough change and might refer to critical learning from product line A as the basis for the projected change.

Interpreting the graph with the scoring guidelines in mind would result in the following observations on the organization's performance and maturity level:

- The current overall organizational performance level is excellent. This conclusion is supported by company performance trends, the comparison with industry competitors, and a "world-class" level for product line A.
- The overall organization shows beneficial improvement trends sustained over time.
- Product line A is the current performance leader—showing sustained high performance (at approximately 5 defects per million) since 2019. Product line B shows rapid improvement. Its performance is close to that of the best industry competitor but trails product line A.
- Product line C—identified in the text as a new product—is having early problems with defects but is projecting a turnaround. (The organization should briefly explain these problems and the basis for the turnaround.)
- The organization has projected improvements in the defect rates of all its product lines. Product line C continues to lag behind the others; product line A is projected to meet its Six Sigma goals by 2024.

Figure 7.1-3 Defects per Million Opportunities



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