

Glossary of Items

1. **AGILITY:** A capacity for rapid change and flexibility in operations. Agility may be needed to respond to emergencies or address changes in your operating environment, to take advantage of an immediate opportunity, and/or to address a strategic challenge. See also RESILIENCE.
2. **ALIGNMENT:** A state of consistency among plans, processes, information, resource decisions, workforce capability and capacity, actions, results, and analyses that support key organisation-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 organisational level, the key process level, and the work unit level.
3. **ANALYSIS:** The examination of data and information to provide a basis for effective decision making. Analysis often involves determining cause-effect relationships. Overall organisational 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 and context, which is derived from the analysis of patterns in data and information.
4. **ANALYTICS:** Analytics is the systematic analysis of data or statistics to uncover meaningful patterns, trends, and insights. It involves the use of various methods, such as statistical analysis, predictive modelling, and machine learning, to interpret data and make informed decisions, often aimed at improving business processes or outcomes.
5. **ANECDOTAL:** In a response to a Criterion 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 organisation's facilities. On the other hand, in properly 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.
6. **APPROACH:** The methods your organisation uses to carry out its processes. Besides the methods themselves, approach refers to the appropriateness of the methods to the item questions and your organisation's operating environment, as well as how effectively your organisation uses those methods. Approach is one of the factors considered in evaluating process items. For further description, see the Scoring System.
7. **BENCHMARKS:** Processes and results that represent the best practices and best performance for similar activities, inside or outside your organisation's industry. Organisations engage in benchmarking to understand the current dimensions of world-class performance and to achieve discontinuous (non-incremental) or "breakthrough" improvement. Benchmarks are one form of comparative data. Other forms include industry data collected by a third party (frequently industry averages), data on competitors'

performance, and comparisons with similar organisations that are in the same geographic area or that provide similar products and services in other geographic areas.

8. **CORE COMPETENCIES:** Your organisation'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. The absence of a needed core competency may result in a significant strategic challenge or disadvantage for your organisation in the marketplace. Core competencies may involve technological expertise, unique service offerings, a marketplace niche, or business acumen in a particular area.
9. **CORPORATE SUSTAINABILITY:** In a corporate context, sustainability is an approach that creates long term (not short term), stakeholder (not just shareholder) value by enhancing its economic, ethical, social and environmental performance. Often referred to as a company's ESG (Environmental, Social, Governance) agenda, corporate sustainability focuses on mitigating or avoiding a company's negative environmental and social impacts and demonstrating strong ethics and governance. Sustainability includes, under Environment, aspects like GHG emissions, pollution, climate change risks, resource efficiency and circularity—(energy, water, waste management), Nature and Biodiversity impacts and dependencies; under Social, aspects like, Human capital diversity and development, Human rights—wages, benefits, conditions of work, health, well-being & safety, freedom of association, consumer health and safety, consumer data privacy and security, community impact and development and under Governance, aspects like ethical and transparent business conduct and supplier engagement on sustainability.
10. **CULTURE:** The shared beliefs, norms, and values that characterize your workforce and are demonstrated within your organisation. In high-performing organisations, senior leaders create and reinforce an organisation's culture based on the organisation's mission, vision, and values.
11. **CUSTOMER:** An actual or potential user of your organisation's products, programs, or services (all referred to as products in the Criterion). Customers include the end users of your products, as well as others who are immediate purchasers or users, such as distributors, agents, or organisations that process your product as a component of theirs.
12. **DATA:** Data refers to the raw facts and figures that are collected, stored, and processed for various purposes. Data can often be in the form of numbers, text, or multimedia. This information can include customer details, financial transactions, inventory levels, sales figures, and more. Businesses use data to make informed decisions, analyse performance, identify trends, and gain insights into various aspects of their operations.
13. **DEPLOYMENT:** The extent to which your organisation applies an approach in addressing the questions of a Criterion item. Evaluation of deployment considers how broadly and deeply the approach is applied in relevant work units throughout your organisation.
Deployment is one of the factors considered in evaluating process items. For further description, see the Scoring System.
14. **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, colour, 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 Criterion 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. When embraced, diversity can drive the cultural, economic, and social vitality and innovation.

15. **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 organisation's needs and how well it is deployed, or (2) evaluating the outcome of the measure as an indicator of process or product/service performance, or (3) evaluating how well customer requirements have been met or exceeded.

16. **EMPOWERMENT:** Giving Workforce the authority and responsibility to make decisions and take actions. When Workforce are empowered, decisions are made closest to the front line, where work-related knowledge and understanding reside. The purpose of empowering Workforce is to enable them to satisfy customers on first contact, improve processes and increase productivity, and improve your organisation's performance results, as well as to encourage collaboration. An empowered workforce requires information to make appropriate decisions; thus, your organisation must provide that information in a timely and useful way.

17. **HIGH PERFORMANCE:** High levels of overall organisational 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 Workforce, including personal accountability; and workforce input into planning. It may involve learning and building individual and organisational skills; learning from other organisations; creating flexible job design and work assignments; maintaining a flattened organisational structure, where decision making is decentralized and decisions are made closest to the front line; and effectively using performance measures, including comparisons. Many organisations encourage high performance with monetary and nonmonetary incentives based on factors such as organisational performance, team and individual contributions, and skill building. Also, approaches to high performance usually seek to align your organisation's structure, core competencies, work, jobs, workforce development, and incentives.

18. **HUMAN RIGHTS:** Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination.
This includes:
 - Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
 - Everyone, without any discrimination, has the right to equal pay for equal work.
 - Everyone who works has the right to just and favourable remuneration ensuring

for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

- Everyone has the right to form and to join trade unions for the protection of his interests.
- Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.
- Everyone has the right to life, liberty and security of person.
- No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.
- No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.
- Reference—Universal Declaration of Human Rights

19. **INCLUSION:** The practice of embracing and accommodating individuals from diverse backgrounds and characteristics, ensuring they are treated equitably and provided with opportunities to participate fully in various aspects of society, education, or organisations, regardless of their differences or distinguishing factors

20. **INNOVATION:** Making meaningful change to improve processes, products, the organisation, or societal well-being and create new value for stakeholders. (The Criterion use the term innovation as a process/activity and the term innovations to refer to the outcomes.) Innovation involves adopting an idea, process, technology, product, or business model that is either new or new to its proposed application. The innovations are discontinuous or “breakthrough” improvements in results, products, processes, or societal well-being. Innovation benefits from a supportive environment, a process for identifying strategic opportunities, and a willingness to pursue intelligent risks. Successful organisational innovation also entails knowledge sharing, a decision to implement, implementation, evaluation, and learning. Although innovation is often associated with technological innovation, it is applicable to all key organisational processes that can benefit from change through innovation, whether breakthrough improvement or a change in approach or outputs. Innovation may be present in organisations of all sizes, sectors, and maturity levels; in some cases, an organisation's genesis is an innovative idea, process, technology, product, or change in organisational structure or business model.

21. **KEY:** Major or most important; critical to achieving your intended outcome. The Criterion, for example, refer to key challenges, plans, work processes, and measures those that are most important to your organisation'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).

22. **KNOWLEDGE ASSETS:** Your organisation's accumulated intellectual resources: the knowledge possessed by your organisation 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 organisation 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.

23. **LEADERSHIP SYSTEM:** The way leadership is exercised, formally and informally, throughout your organisation, 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 behaviour, 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 organisation's vision and values and the pursuit of shared goals.

It encourages and supports initiative, innovation, and appropriate risk-taking, subordinates' organisational 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.

24. **LEARNING:** New knowledge or skills acquired and implemented through evaluation, study, experience, and innovation. The CII HR EXCELLENCE framework refers to two distinct kinds of learning: organisational learning and learning by the Workforce in your workforce.

Organisational 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 organisation operates. Learning contributes to a competitive advantage and ongoing success for your organisation and workforce. For further description of organisational and personal learning, see the related core values and concepts: Valuing Workforce, and Organisational Learning.

Learning is one of the factors considered in evaluating process items. For further description, see the Scoring System.

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

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

27. **WORKFORCE CAPABILITY:** Your organisation's ability to accomplish its work processes through its Workforce'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.

28. **WORKFORCE CAPACITY:** Your organisation'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.

29. **WORKFORCE ENGAGEMENT:** The extent of Workforces' emotional and intellectual commitment to accomplishing your organisation's work, mission, and vision. Organisations with high levels of Workforce engagement are often characterized by high-

performance work environments in which Workforce are motivated to do their utmost for their customers' benefit and the organisation's success. In general, Workforce feel engaged when they find personal meaning and motivation in their work and receive interpersonal and workplace support. 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.

30. **PERFORMANCE:** Outputs and their outcomes obtained from processes, products, and services and strategies that permit you to evaluate and compare your organisation's results to performance projections, standards, past results, goals, and other organisations' results.

31. **PROCESS:** Linked activities with the purpose of producing a product or service for a customer (user) within or outside your organisation. Generally, processes involve combinations of Workforce, 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 behaviours. 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 (along with results) evaluated in a CII HR EXCELLENCE-based assessment. This evaluation is based on four factors: approach, deployment, learning, and integration. For further description, see the Scoring System.

32. **PRODUCTIVITY:** Measures of the efficiency of resource use. Although the term is often applied to single factors, such as the workforce (labour 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.

33. **RESILIENCE:** An organisation's ability to (1) anticipate, prepare for, and recover from disasters, emergencies, and other disruptions, and (2) protect and enhance workforce and customer engagement, supply-network and financial performance, organisational productivity, and community well-being when disruptions occur. Organisational resilience requires agility throughout the organisation. Beyond the ability to “bounce back” to a prior state when a disruption occurs, resilience means having a plan in place that allows your organisation to continue operating as needed during disruptions. To achieve resilience, leaders must cultivate the agility to respond quickly to both opportunities and threats, adapt strategy to changing

circumstances, and have robust governance with a culture of trust. Organisations must adopt an ecosystem mindset, embrace data-rich thought processes, and equip their employees with ongoing learning of new skills.

34. **RESULTS:** Outputs and outcomes achieved by your organisation. 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 organisational performance requirements. Results are one of the two dimensions evaluated in a CII HR EXCELLENCE-based assessment. This evaluation is based on four factors: levels, trends, comparisons, and integration. For further description, see the Scoring System.
35. **SEGMENT:** One part of your organisation's customer, market, product offering, or workforce base. Segments typically have common characteristics that allow logical groupings. In Criterion results items, segmentation refers to disaggregating results data in a way that allows for meaningful analysis of your organisation's performance. It is up to each organisation 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.
36. **SENIOR LEADERS:** Your organisation's senior management group or team. In many organisations, this consists of the head of the organisation and his or her direct reports.
37. **STAKEHOLDERS:** All groups that are or might be affected by your organisation'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.
38. **STRATEGIC ADVANTAGES:** Those benefits that exert a decisive influence on your organisation'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: core competencies, which focus on building and expanding on your organisation's internal capabilities, and (2) strategically important external resources, which your organisation shapes and leverages through key external relationships and partnerships. When an organisation realizes both sources of strategic advantage, it can amplify its unique internal capabilities by capitalizing on complementary capabilities in other organisations. See STRATEGIC CHALLENGES and STRATEGIC OBJECTIVES for the relationship among strategic advantages, strategic challenges, and the strategic objectives your organisation articulates to address its challenges and advantages.
39. **STRATEGIC CHALLENGES:** Those pressures that exert a decisive influence on your organisation's likelihood of future success. These challenges are frequently driven by your organisation'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 organisation 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.

SYSTEM

40. A set of interrelated leadership and management elements of an organisation used to integrate approaches, establish policies and objectives, and manage processes to achieve those objectives. The overarching performance system depicted by the Baldrige Excellence Framework consists of six process categories and a results category. Organisational systems establish processes, procedures, and responsibilities for achieving policies and objectives; and they may contain elements such as management structures (e.g., groups or committees), measurements, and multiple integrated systematic approaches used to conduct the work and support the organisation. Organisational systems are generally focused internally, whereas the broader concept work systems include internal work processes and external resources of the organisation.
41. **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 again in maturity. To see the term in use, refer to the Process Scoring Guidelines.
42. **TALENT:** Natural aptitude, skill, or capability possessed by an individual in a particular area, often leading to exceptional performance or accomplishment in that field. Talent can encompass a wide range of abilities, including but not limited to artistic, intellectual, athletic, or professional skills.
43. **TRENDS:** Numerical information that shows the direction and rate of change of your organisation's results or the consistency of its performance over time. Trends show your organisation'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 Criterion 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.
44. **VALUE:** The perceived worth of a product, process, asset, or function relative to its cost and possible alternatives. Organisations 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 organisation 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.
45. **VALUES:** The guiding principles and behaviours that embody how your organisation and

its Workforce are expected to operate. Values influence and reinforce your organisation's desired culture. They support and guide the decisions made by every workforce member, helping your organisation 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.

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

47. **WORK PROCESSES:** Your organisation'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 organisation'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.

48. **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 work 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 organisation'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 organisational structure, Workforce, work processes, and equipment/technology.