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Do You Have an HR Strategy? If Not, Should You Have One

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Free Resources

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Objectives

After attending this session, participants should be able to:

- Create or update the HR strategy plan.
- Describe the major challenges or opportunities faced by performance organizations.
- Clarify HR's role in addressing these challenges.
- Make the case for additional areas of focus.
- Elevate the role of HR in the organization to be a business contributor and driver.
- Develop at least three action plans to change the current strategy.

How does your organization view the HR function?

A. Enforcer rules and policies
B. Administrator of employee costs
C. Manager of risk
D. Health and happiness sideshow
E. A driver of the organization’s performance

Serious Performance Challenges

True or False?

1. HR programs are rarely connected to the key organizational measures.
2. The HR outcomes desired by senior leaders are rarely measured.
3. Most HR managers do not have data showing that they make a difference in the organization.
4. Most senior leaders see HR as a cost and not an investment.
5. Most senior leaders view hard skills more valuable than soft skills.

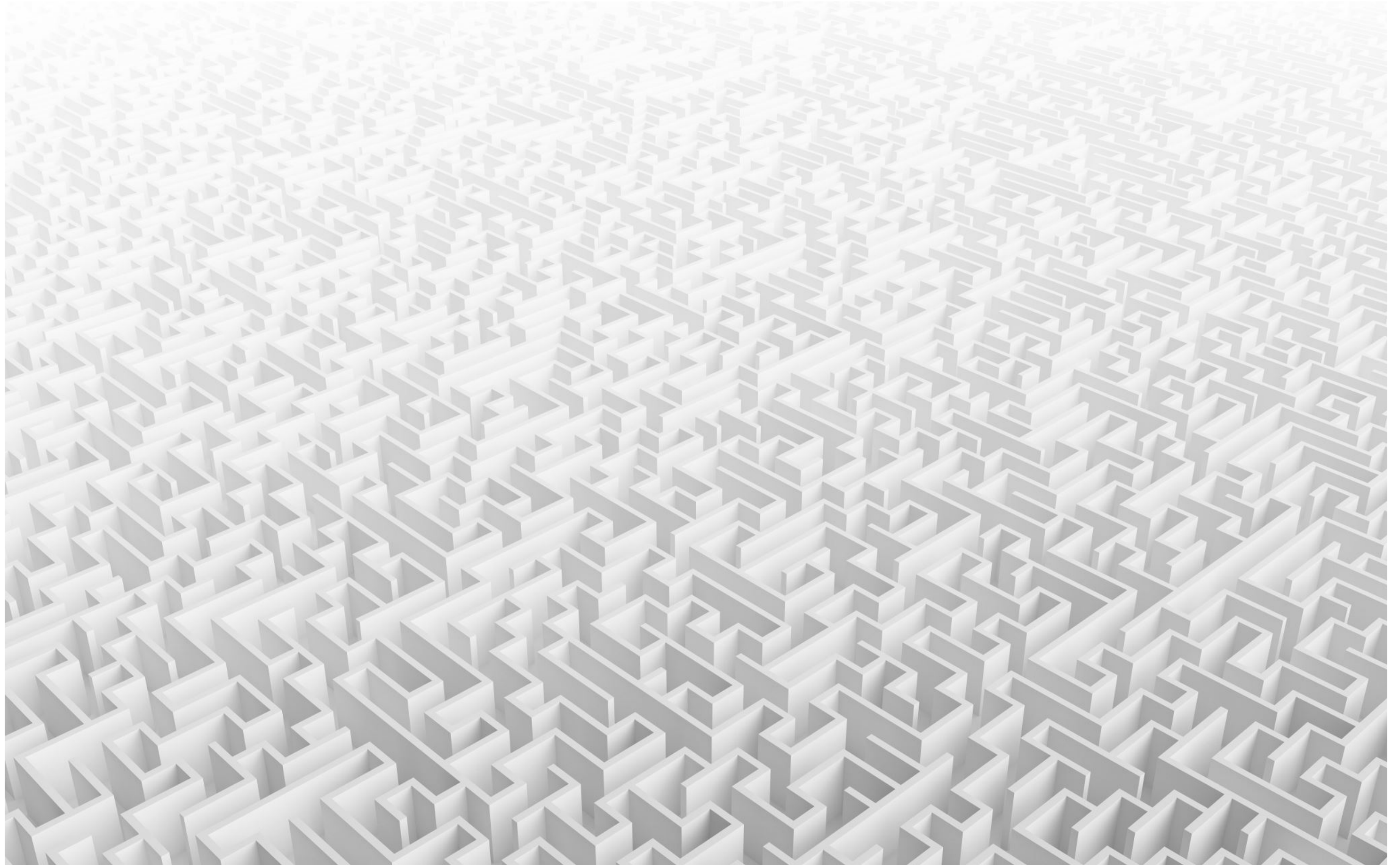
Strategy Definition

A strategy describes how the ends (goals) will be achieved by the means (resources). Strategy can be intended or can emerge as a pattern of activity as the organization adapts to its environment or competes. It involves activities such as strategic planning and strategic thinking.

-Wikipedia

Why a Strategy?

1. Shows a direction
2. Provides a focus
3. Establishes a leadership role
4. Expands roles
5. Delivers results



Traditional Role of HR

- Attract and select employees.
- Build the capability to perform and lead.
- Provide competitive salaries and benefits.
- Motivate to perform and excel.
- Create an effective work climate that protects and supports employees.
- Retain employees.

Strategy Opportunities

Investment Level	Flexible Work	Performance Management	Culture	Innovation and AI
Engagement	D, E, & I	Talent Acquisition	Talent Development	Talent Retention
Leadership	Employee Health	Environment	Alignment	Analytics

#1 Opportunity Investment Level

- Investing in employees
- Investing in HR Staff
- Investing in HR Programs

Investment Strategies

Strategy 1	**Let Others Do It:** Use outsourcing, contract employees, and temporary workers
Strategy 2	**Invest the Minimum:** Expect turnover
Strategy 3	**Invest with the Rest:** Use benchmarking
Strategy 4	**Invest until it Hurts:** Spending more than necessary
Strategy 5	**Invest as long as there is a Payoff:** Use impact and ROI analytics

Costs Versus Investment Perception: The Reality

Executive Perception of HR Programs

Perception	Actions	Consequences
It’s a cost	• Control it • Reduce it • Eliminate it	• Partnerships are rare • Influence diminishes • Support is lost • Funding is curtailed
It’s an investment	• Maintain it • Enhance it • Protect it	• Partnerships flourish • Client relationships improve • A seat at the table is earned • Funding is easier

The HR Value Chain is Always There!

	LEVEL	ISSUE	MEASURES	TARGETS†
This is easy Always measured	0	Inputs	Volume, Hours, Convenience, Cost	100%
This is easy Almost always measured	1	Reaction	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to Others	100%
Not difficult Usually measured	2	Learning	Concepts, Trends, Facts, Contacts, Skills, Competencies	90%
Possible Often measured	3	Application	Use of content, Frequency of Use, Success with Use, Barriers, Enablers	30%
Not so difficult to connect Sometimes measured	4	Impact	Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
Possible for many programs Rarely measured	5	ROI	Benefit Cost Ratio or Return on Investment, Expressed as a Percent	5%

*Can predict

Executives prefer

Must take a step to isolate the effects

† Best Practice: Percent of Programs Evaluated at this level each year.

#2 Opportunity Flexible Work

- Remote
- Hybrid
- In-office

Key Issues

- Remote/Hybrid work is here to stay
- Make decisions based on data
- First level manager is key
- Make it successful
- Tackle the challenges
- Consider ROI from three perspectives
  - Employee ROI
  - Organization ROI
  - Environment ROI

#3 Opportunity Performance Management

- Performance Review
- Performance Appraisal
- Performance System

Performance Measurement Evolution

Level	Measurement Focus	Typical Measures
0: Inputs	Inputs into the work, including indicators representing resources scope, efficiency, and costs.	Access to tools, technology, materials, number of people involved, hours of involvement, budget.
1: Reaction	Reaction to the work, including perceived value of the work.	Relevance, importance, usefulness, fairness, appropriateness, useful motivational, necessity.
2: Learning	Learning to do the job including the confidence to be successful.	Skills, knowledge, capacity, competencies, confidence, contacts.
3: Application and Implementation	The actions taken, use of tools, knowledge, skills materials, and system in the work environment.	Extent of use, task completions, frequency of use, actions completed, success with use, barriers to use, enablers to use.
4: Impact	The consequences of actions, use of the tools, materials, and system expressed as business impact measures of output, quality, cost, and time.	Productivity, customers served, revenue, accidents, incidents, quality, errors, cycle times, costs, project completions, efficiency customer satisfaction, employee engagement.

Performance Management Shift

Issue	Traditional	New Approach
Executive View	A Necessary Process	A Business Driver
Purpose	Documentation, Managing Poor Performance	Performance Enhancement
Review Frequency	Once or Twice per Year	Frequently
Rewards/Pay	Closely Guarded, Rare	Routine, Transparent, Pay for Performance
Design Focus	Top Down	Bottom Up
Goals	Rigid and Specific	Smart and Flexible
Documentation	Bureaucratic and Extensive	Simplified and Flexible
Business Alignment	Vague, Top-Level Measures	Specific Business Measures at the Individual Levels
Evaluation Focus	Measure the Process	Specific Business Measures at the Individual Levels
Preparation	Training for Managers	Training for Managers, Employees, Teams

#4 Opportunity Culture

- Reaction
- Knowledge
- Behavior
- Impact

Exercise: Define the culture of your organization.

The Importance of Culture:

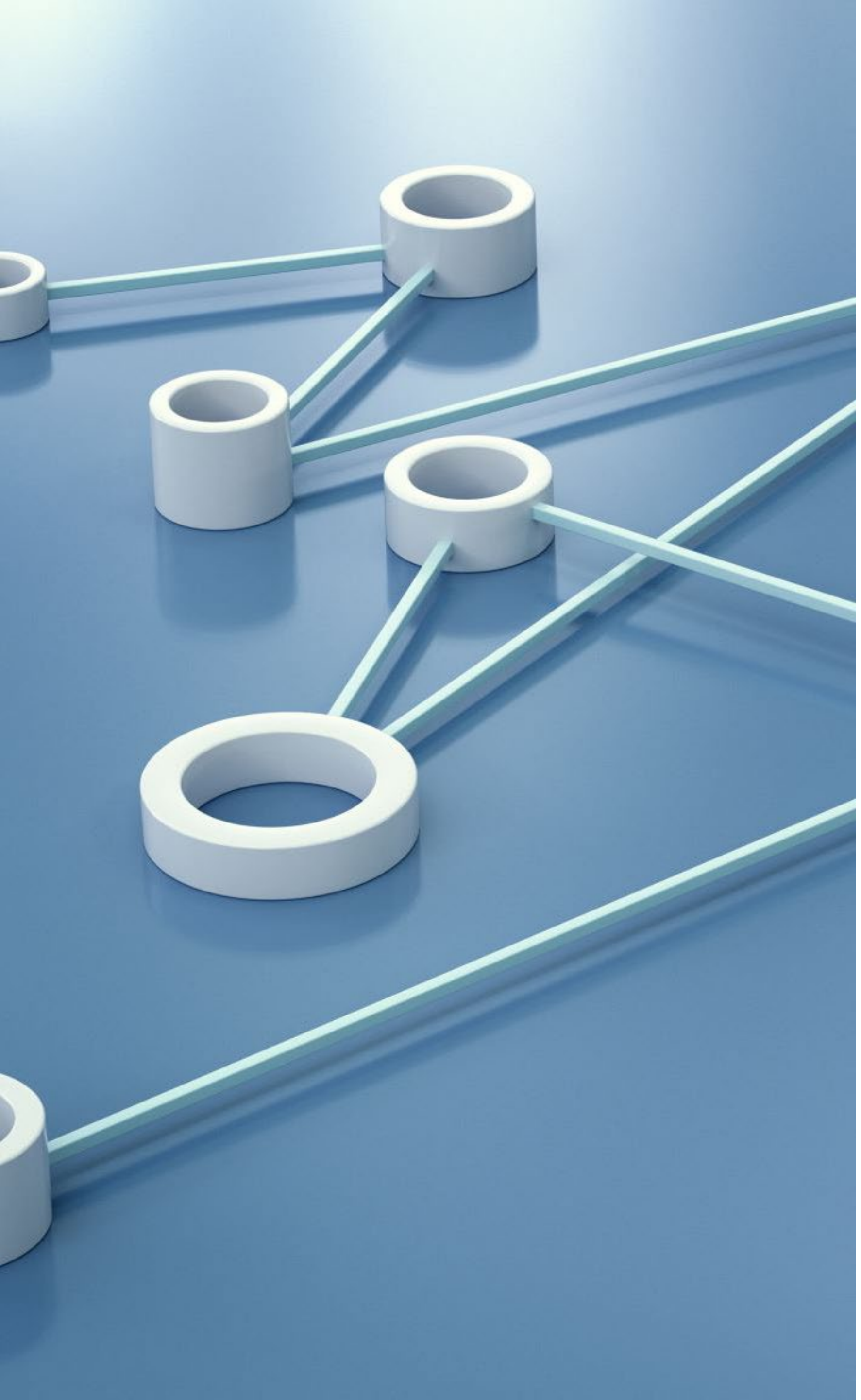
1. Organizations <u>live</u> or <u>die</u> based on culture.
2. <u>Culture is the difference</u> between long-term sustainable <u>success</u> and <u>failure</u>.
3. Culture is the difference between the <u>least</u> and <u>most</u> admired organizations.
4. Culture facilitates <u>attracting</u> and <u>retaining talent</u>.
5. Culture <u>adds value</u> to an organization.

Key Issues

- Define it
- Communicate it
- Expect it
- Support it
- Measure reaction, learning, application, impact
- Improve it
- Impact is “the why”

#5 Opportunity Innovation and AI

- Internal
- External



Innovation and AI Issues

- #1 Source: Employees
- Expect it
- Enable it
- Measure
- Show positive aspects of AI
- Address negative aspects of AI

Innovation Programs Come in All Sizes…

- Spark and Ignite
- Make it Better
- Brainstorming
- Suggestion Systems
- Critical Thinking
- Design Thinking
- Breakthrough Innovation
- Sustainable Innovation
- Disruptive Innovation
- Basic Research

- Innovation Task Forces
- Innovation Accelerators
- Innovation Complaints
- Innovation Leadership
- Creating an Innovative Culture
- Driving Innovation
- Workout Projects
- Customer Focused Innovation
- Basic Research for Innovation

#6 Opportunity Engagement

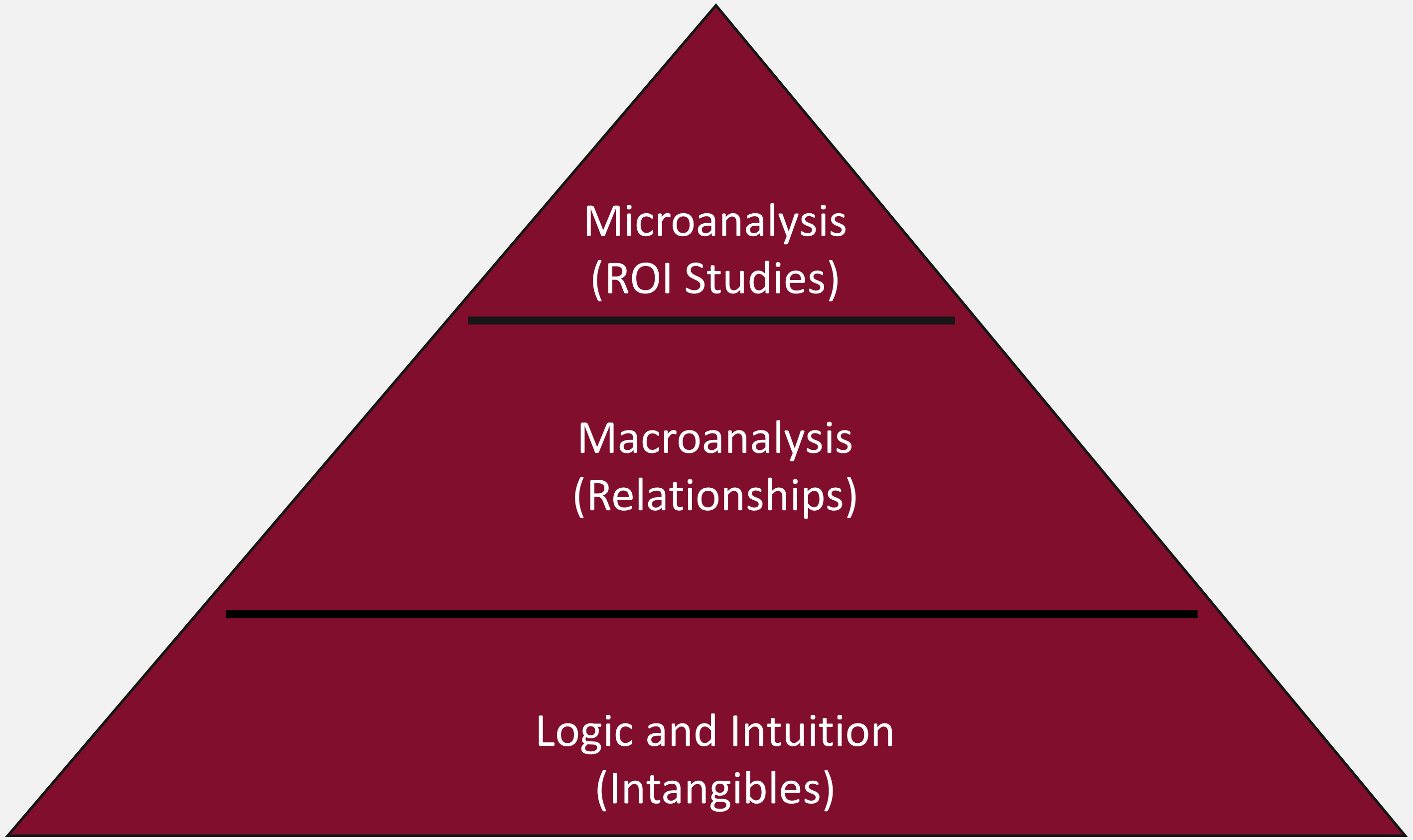
- Job satisfaction
- Organization commitment
- Employee engagement
- Employee experience

Typical Engagement Survey Questions

- My job allows me to utilize my strengths.
- I trust our senior leaders to lead to success.
- I believe this organization will be successful in the future.
- I find my job interesting and challenging.
- The senior leaders of this organization value people as their most important resource.
- My opinions seem to count at work.
- If I contribute to the organization’s success, I know I will be recognized.
- I see professional growth and career development opportunities for myself here.
- The senior leaders of this organization demonstrate integrity.
- I have the information I need to do my job well.

-Quantum Workplace

Value of Engagement Investments



#7 Opportunity Diversity, Equity, and Inclusion

- Policy
- Learning and behavior
- Impact

Diversity Benefits

A diverse workforce drives:

- Economic growth
- Market share
- Quality
- Retention
- Innovation
- Productivity
- Talent acquisition
- Teamwork

SHOW THE VALUE!

#8 Opportunity Talent Acquisition

- Numbers
- Timely Supply
- Quality

Talent Acquisition Issues

- Workforce planning
- Market supply
- New sources
- Develop your own
- Shift your mindset

#9 Opportunity Talent Development

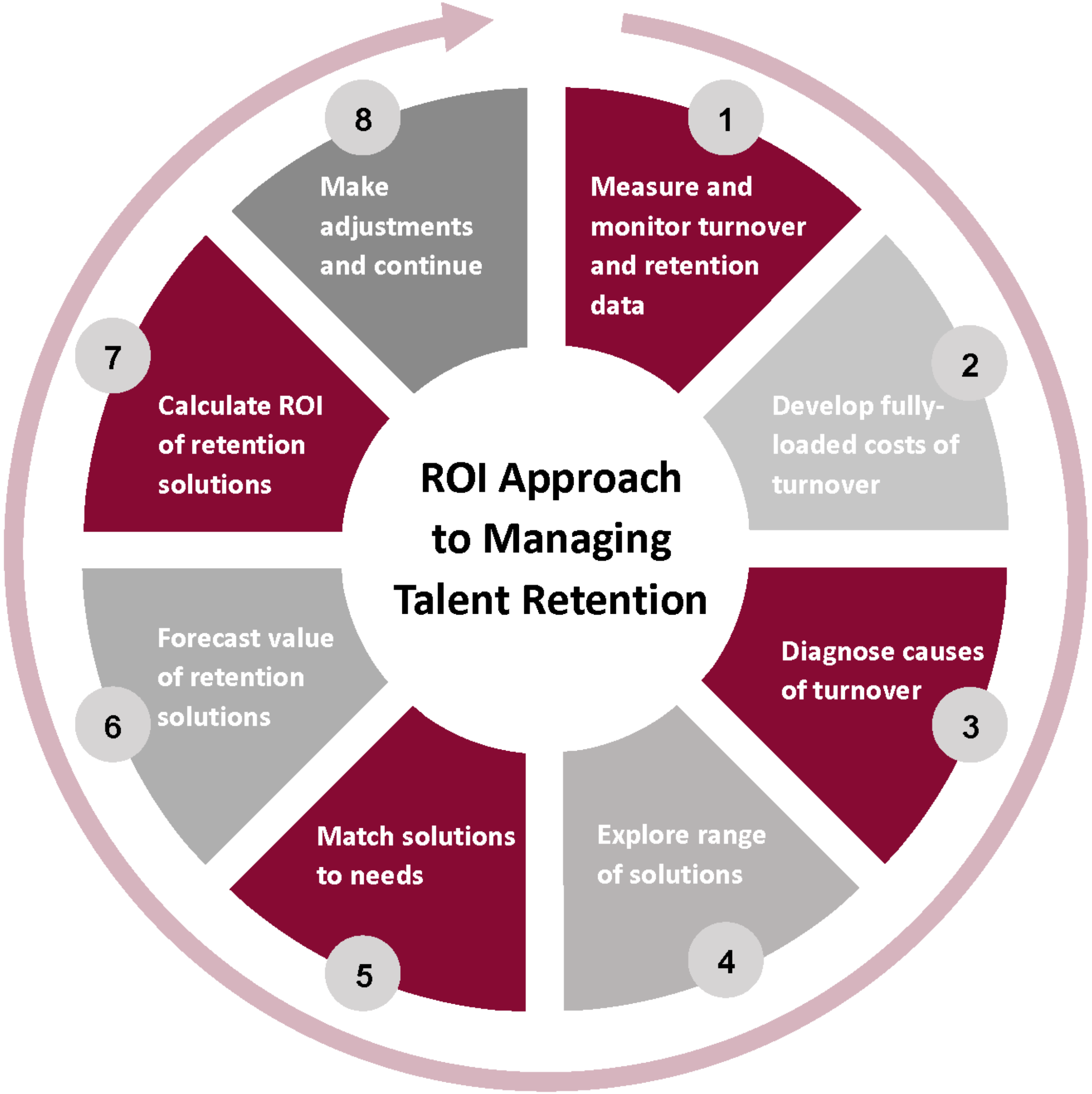
- New employees
- Compliance
- Technical skills
- Soft skills

Key Issues

Who	What	How
When	How much	So what?

#10 Opportunity Talent Retention

- Voluntary
- Avoidable
- Regretable



ROI Approach to Managing Talent Retention

#11 Opportunity Leadership

- Potentials
- First level
- Middle level
- Top level

Leadership Development Issues

- Number 1 issue with executives
- Leadership at the first level is crucial
- Record amount of investment
- Much of it not connected to the business
- Increase accountability is needed (value chain)

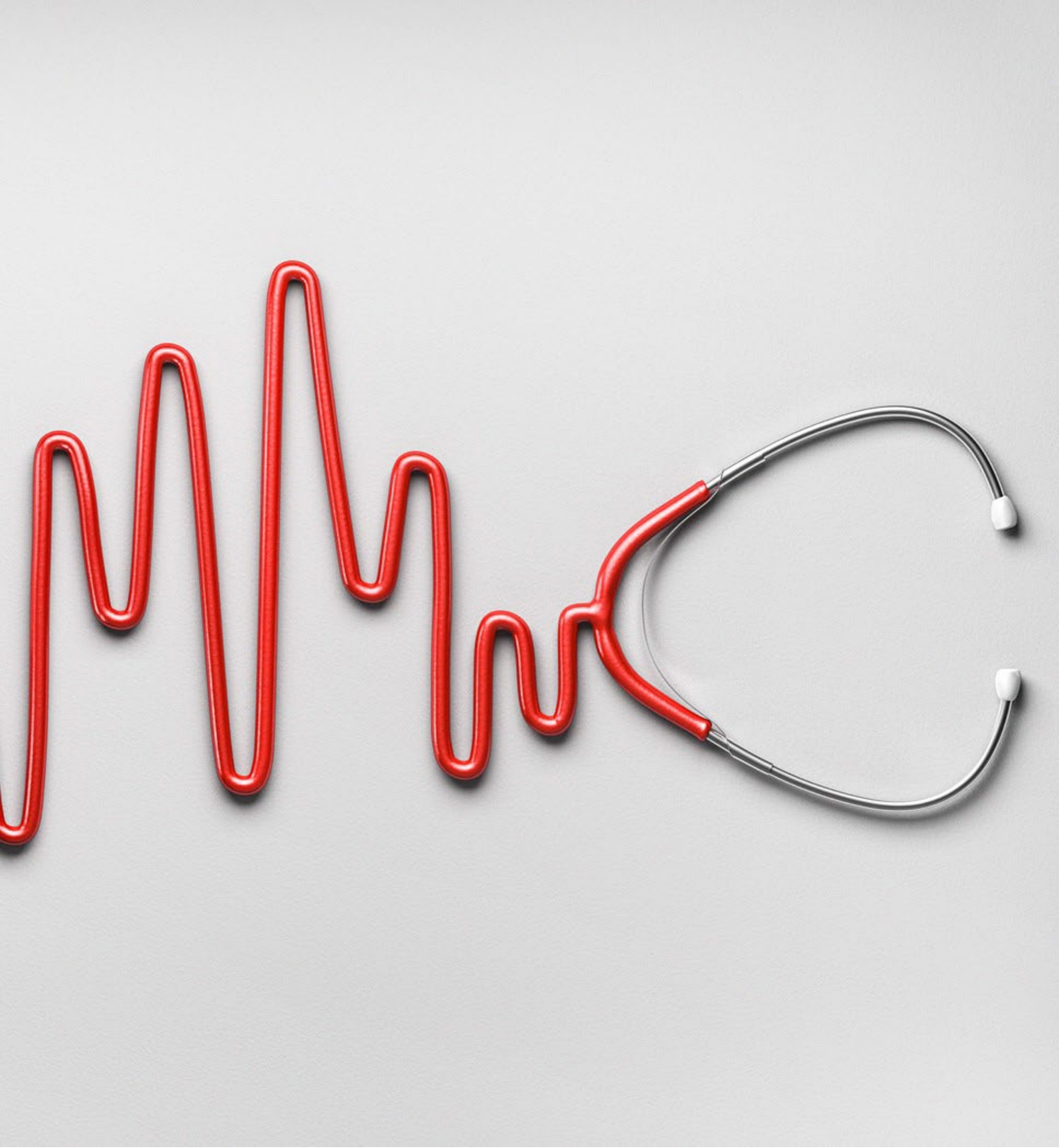
How do you measure the success of leadership development?

#12 Opportunity Employee Health

- Cost
- Coverage
- Prevention

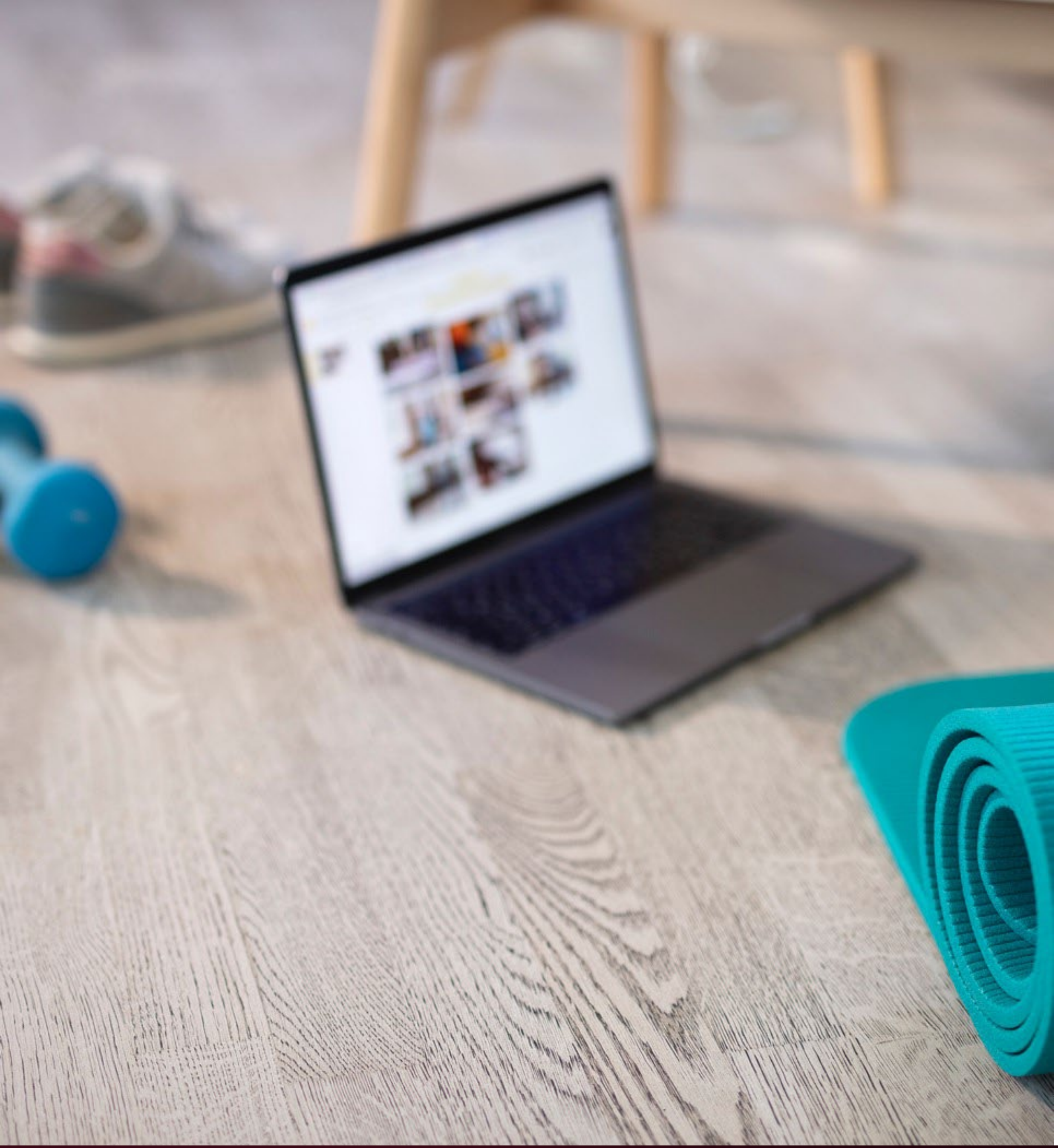
The Challenge of Healthcare Costs

- Costs
- Patient outcomes
- Patient harm
- Access
- Patient satisfaction



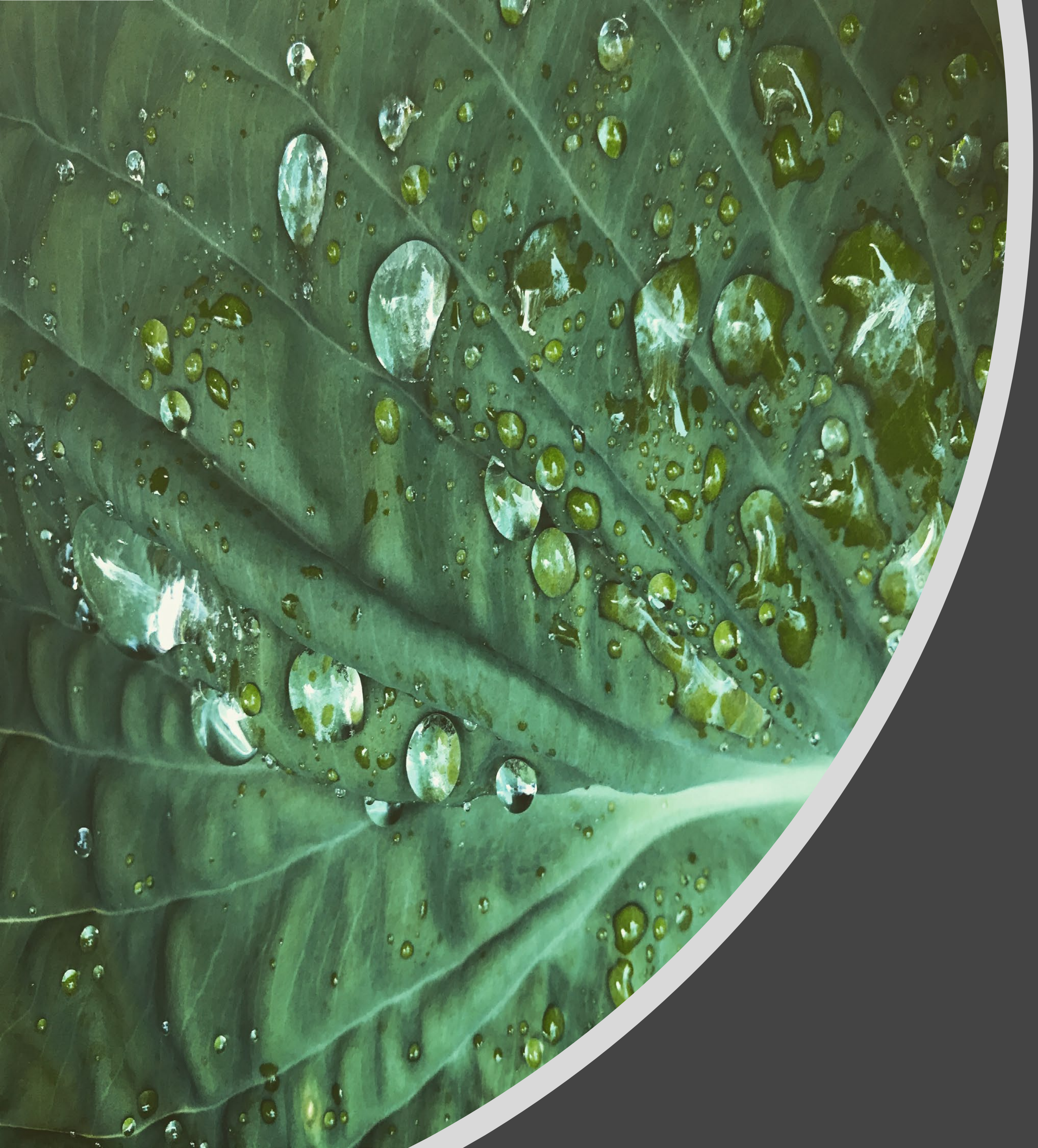
Containing Costs

- Changing plans
- Changing coverage
- Changing eligibility
- Changing behavior
- Encouraging employees to make healthy choices



Wellness and Fitness Programs

- Health screening
- Healthy eating and nutrition
- Smoking-cessation programs
- Obesity programs
- Industrial hygiene
- Ergonomics
- Stress management



#13 Opportunity Environment

- Why
- Internal
- External

Environment Issues

- This is a critical issue
- What are you doing with employees to help the environment?
- Remember the value chain

Green Revolution

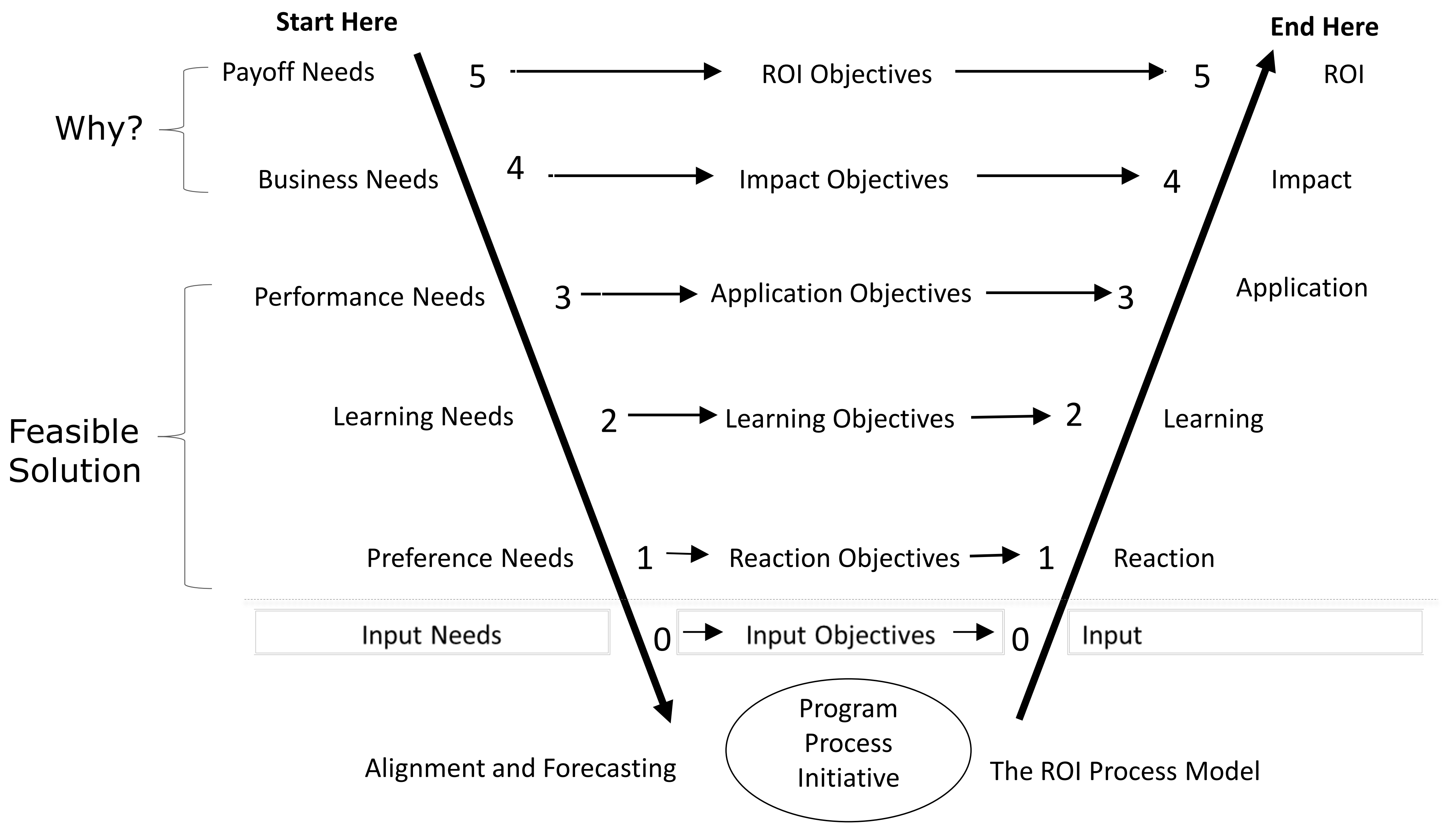
- Green cities
- Green organizations
- Green buildings
- Green workplaces
- Green meetings
- Green energy
- Green technology

Becoming a Green Organization

#14 Opportunity Business Alignment

- All major programs aligned
- Start with why (Impact)
- Select the right solution

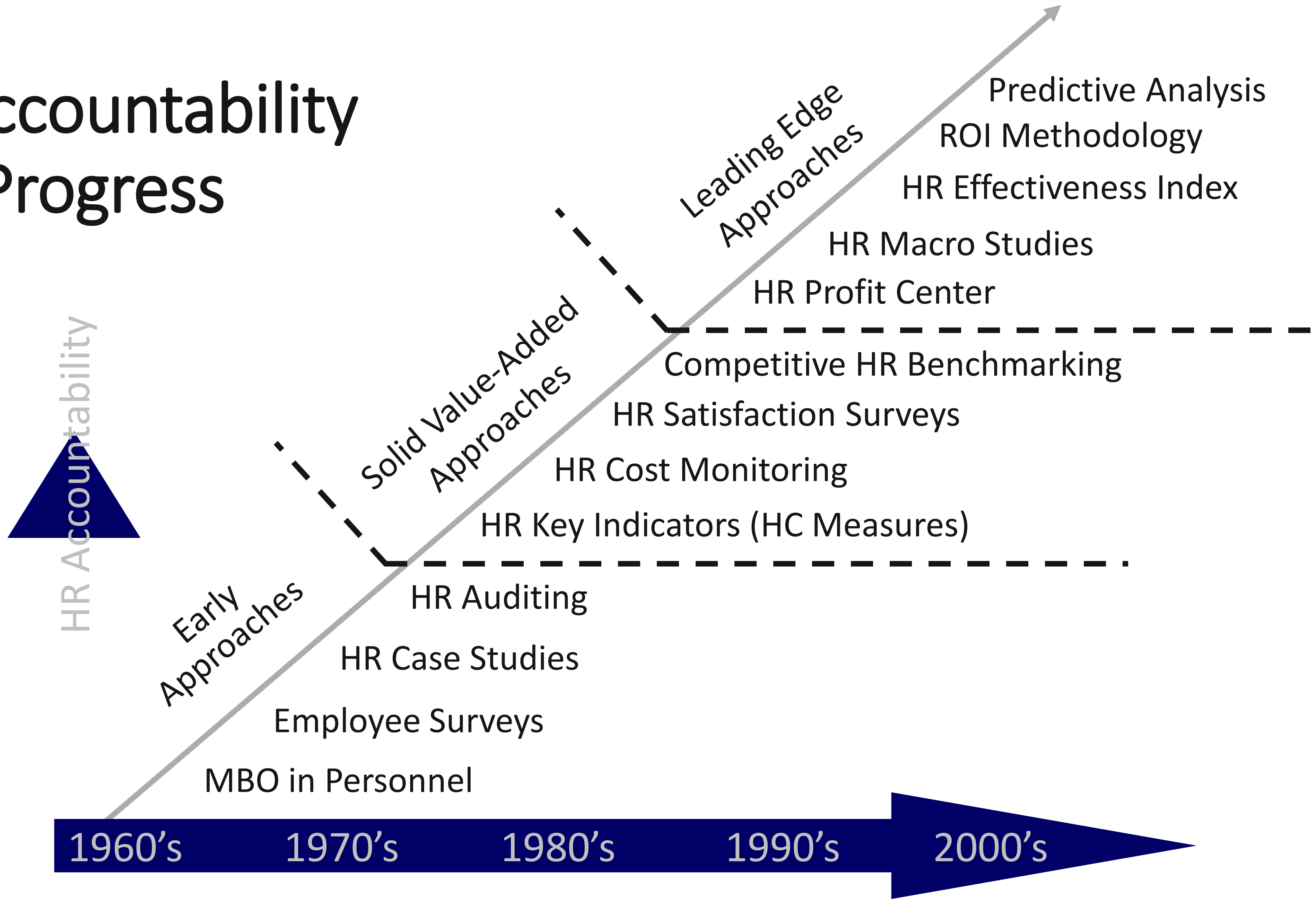
Alignment Model



#15 Opportunity People Analytics

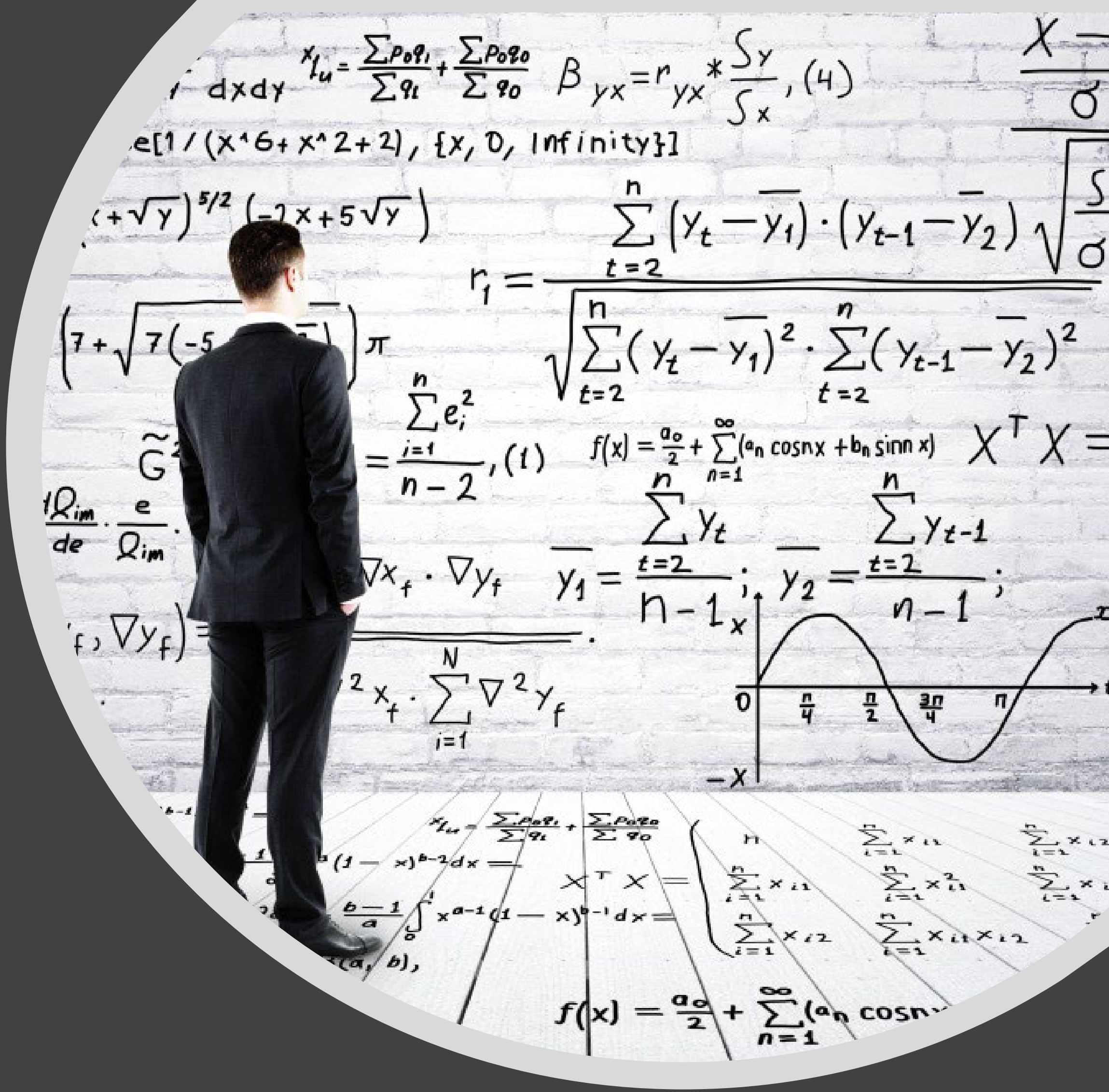
- Process
- Topics
- Use

HR Accountability Progress



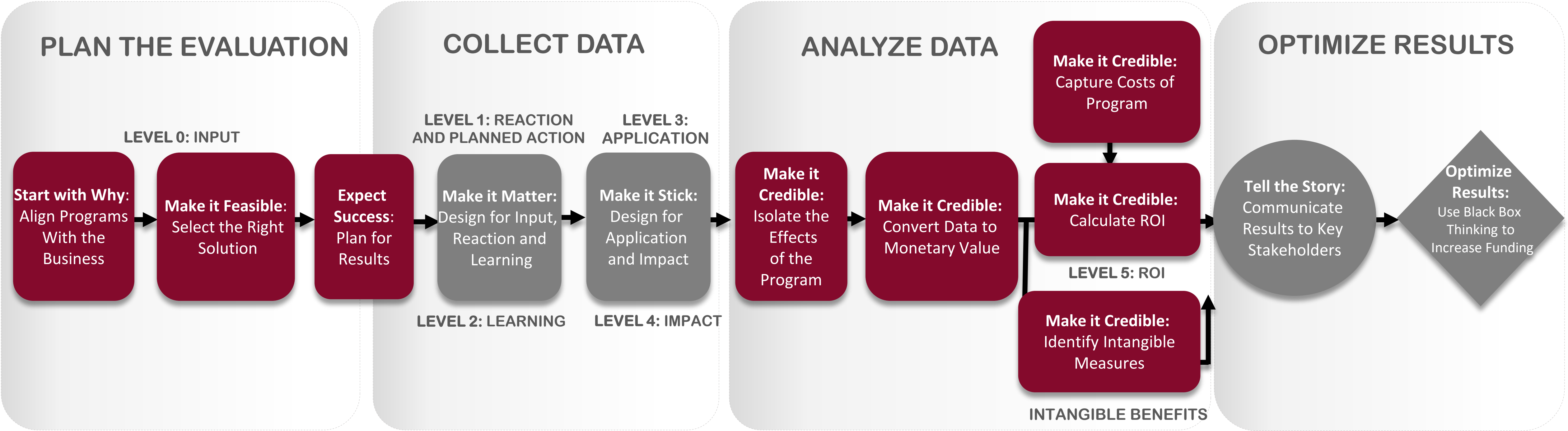
Types of Analytics Projects

1. Converting data to money **(Type 1)**
2. Showing relationships and causation **(Type 2)**
3. Applying predictive models **(Type 3)**
4. Conducting impact and ROI analyses **(Type 4)**
5. Forecasting ROI **(Type 5)**



The ROI Methodology Process Model

Designing for the Delivery of Business Results



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Jack J. Phillips, Ph.D.

Jack J. Phillips, chairman of ROI Institute, Inc., is a world-renowned expert on accountability, measurement, and evaluation. A former bank president and HR executive, Phillips consults for Fortune 500 companies and major global organizations. The author or editor of more than 75 books, including *Show the Value of What You Do* (Berrett-Kohler, 2022), he conducts workshops and presents at conferences throughout the world.

Jack has been recognized and awarded for his work in the field by numerous professional organizations, including receiving the 2022 Association of Talent Development (ATD) Thought Leader Award. SHRM presented Jack with its highest creativity award for an ROI study and awarded an ROI Institute book with a best book award. His work has been featured in the *Wall Street Journal, BusinessWeek*, and *Fortune* magazine, and he has been interviewed by several television programs, including CNN.

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