

HCI Talent Strategist Certification Practicum

SITUATIONAL ASSESSMENT:

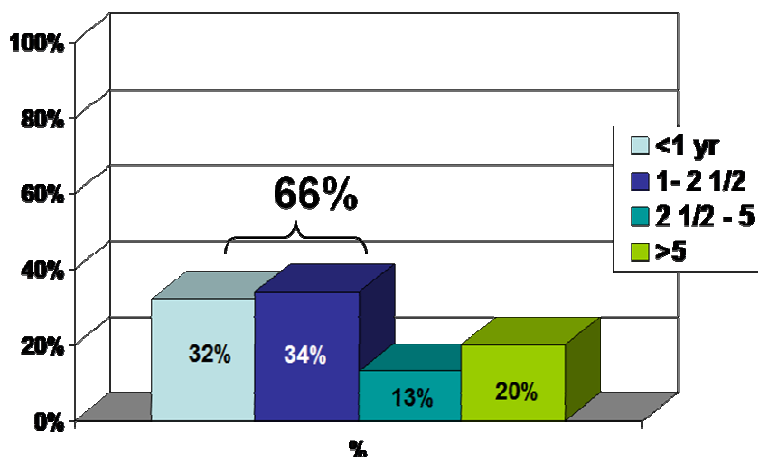
A small medical imaging company - \$15MM revenues and less than 100 employees. Their ambition is to be a profitable \$100MM company by 2014. The path to achieving this is to achieve half the goal through their current services and half through new markets and product segments (primarily through acquisition). They have had issues with their ability to deliver product within the timeframe committed and there is constant modification of the agreed to deliverables.

“Digimed” operates in the global marketplace and has had historical turnover issues for the past few years, but extremely high turnover (30%) over the past 18 months -- including the departure of several high level positions and limited to zero ready now successors. Turnover in key positions has severely hurt their relationships with their key customers and leadership within the Engineering group has not been effective in bringing projects to completion.

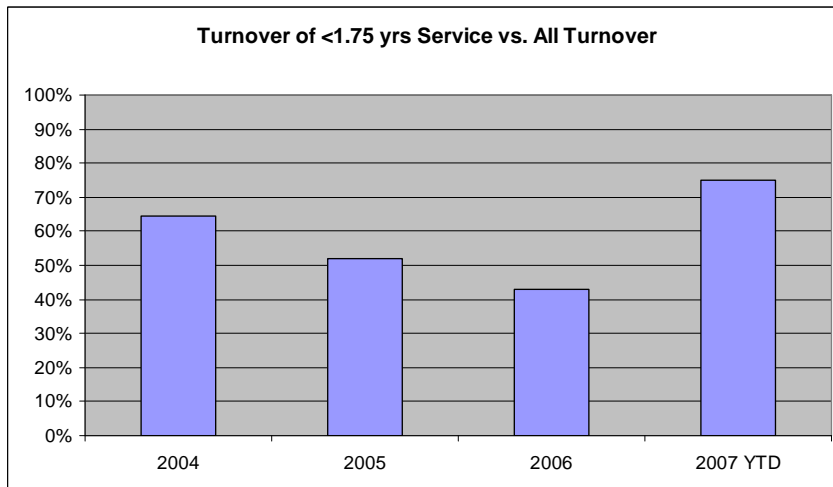
Digimed wants to eliminate the turnover in key positions as well as focus on developing “bench strength” so that they can respond to future growth opportunities. They also feel their HR processes are weak/non existent, misaligned with company objectives, and viewed as HR “checkbox exercises.” They recognize that they need to strengthen their leadership/management capabilities in order to grow the company and they are interested in aligning their HR practices and strengthening their management disciplines.

Data Points:

“Digimed” employee tenure: 66% of the organization has less than 2.5 years at the company!



The majority of turnover occurs within the first 20 months of employment



The employee survey revealed:

- There was a general lack of understanding of the company's goals and their role in achieving them
- There is not enough training for new hires
- Communication between departments is poor
- The Performance Appraisal process is not effective in motivating performance

Senior Leadership expressed dissatisfaction with employee performance. They did not feel their systems aligned employees effectively to the goals of the organization and that there was a tendency to "underhire".

INTERVENTION:

1. Review the HR processes to ensure that they work as a system to drive their desired culture of accountability and that they link employees to the goals of the organization.
2. Institute an organizational process to determine organizational "depth" and be clear on where their Pivotal Roles are, who their Hi Potentials and "A" players are, as well as implement tools that can ensure focused development in this segment of their workforce.

OBJECTIVE:

Improve retention of key people and organizational agility through a focus on identification and development of key people in critical roles and growth of high potentials; as well as strengthening performance management processes.

MEASURES OF SUCCESSFUL IMPLEMENTATION:

- % Improvement in key customer satisfaction
- 100% of Pivotal roles (A) filled with "A" players
- Exit rate of "C" players in "A" Positions
- "Bench strength" readiness status of potential successors
- Percent retention of high-performing key employees
- Significant improvement (at least 30%) in employee engagement survey scores

FINANCIAL IMPLICATIONS OF IMPROVING THESE PRACTICES:

- Reduction in turnover = reduction of recruitment expense of 25% per job and lost productivity due to vacancy
- Improve time-to-hire for critical vacancies (some take 6-12 months) improving delivery to schedule
- Role clarity will improve customer commitments and delivery to schedule
- Clearly understanding organizational depth and where critical organizational strengths and weaknesses are will provide the needed bench strength to successfully complete an acquisition or grow the current product line
- Top performers outperform their peers by two to four times – increased productivity

PRIORITIES, ACTIVITIES AND IMPLEMENTATION SCHEDULE:

1. Evaluate current recruitment, performance management and compensation systems and develop recommendations for improvements that will increase attraction, retention and engagement of high performing employees (Implement with January 1 review cycle)
2. Enhance role clarity at the management level by developing Results-Focused job descriptions for VP's, Directors, and Managers (complete within 45 days)
3. Talent Segmentation -- Facilitate a process with senior leadership that will enhance their individual and collective understanding of current organizational depth (complete within 30 days)

Top-Spin Talent Planning Process – used to align HR processes and segment talent



Review of HR Systems

HR Function	Issue	Process Changes
Recruitment	Lacked a common vision of what a successful candidate should “look” like. Interviews often became popularity contests rather than a comprehensive review of qualifications.	<ul style="list-style-type: none"> • Created results-focused job descriptions to identify the key deliverables and measures of each job (see sample attached) • Implemented job-specific interview feedback forms to collect feedback and structure interview as well as references • Introduced pre-employment behavioral suitability assessments to provide additional data for decision-making
On-Boarding	Once hired there was little to no energy by supervisors in socializing new hires or clarifying expectations. HR offered a ½ day orientation and then the employee was sent to their desk to work. New hires reported that they knew little of the products or their role in company success and there was no one willing to provide this information. The organization was “eating their young.”	<ul style="list-style-type: none"> • Developed comprehensive on-boarding process that began with an e-mail campaign upon acceptance. Formalized 2 week schedule which included a mentor and socialization activities. Manager was given a checklist of activities for the first 3 months and new hire feedback was collected during that time. • Managers were trained on their role in on-boarding new hires. New hires were surveyed within their first 90 days to get their perspective. • On-line education was developed on the company’s core product line; as well as sessions with the product trainers within their first month of hire.
Compensation	A Formal salary structure did not exist. New hires were brought in considering skills/abilities and pay ranges of current staff rather than market value. Managers received bonus consideration regardless of impact on organizational results, and bonus was awarded based on “feelings” rather than results	<ul style="list-style-type: none"> • Developed compensation philosophy, implemented market-based pay structure. • Used market structure and comparative ratios as a way to look at an individual’s market position and determine appropriate salary increase. • Bonus was redesigned to remove managers who could not directly impact strategy from the program. Bonus objectives were crafted to cascade from organizational strategy and pay based on results achieved.
Performance Management	Employee surveys identified that expectations of employees were unclear, managers rewarded people based on “likeability” rather than performance, and the PA system was not motivational.	<ul style="list-style-type: none"> • Results-based job descriptions were developed for all positions. • The job descriptions were used as the basis for the PA so that a solid link to expectations was provided. • The rating scale was changed from a 1-5 rating to a 3-level rating (does not meet, meets, exceeds) to force greater differentiation of high and low performers.

Education was provided to management and staff on process changes and a 24/7 management portal was developed to provide the tools, tips and training.

Talent Segmentation Exercise

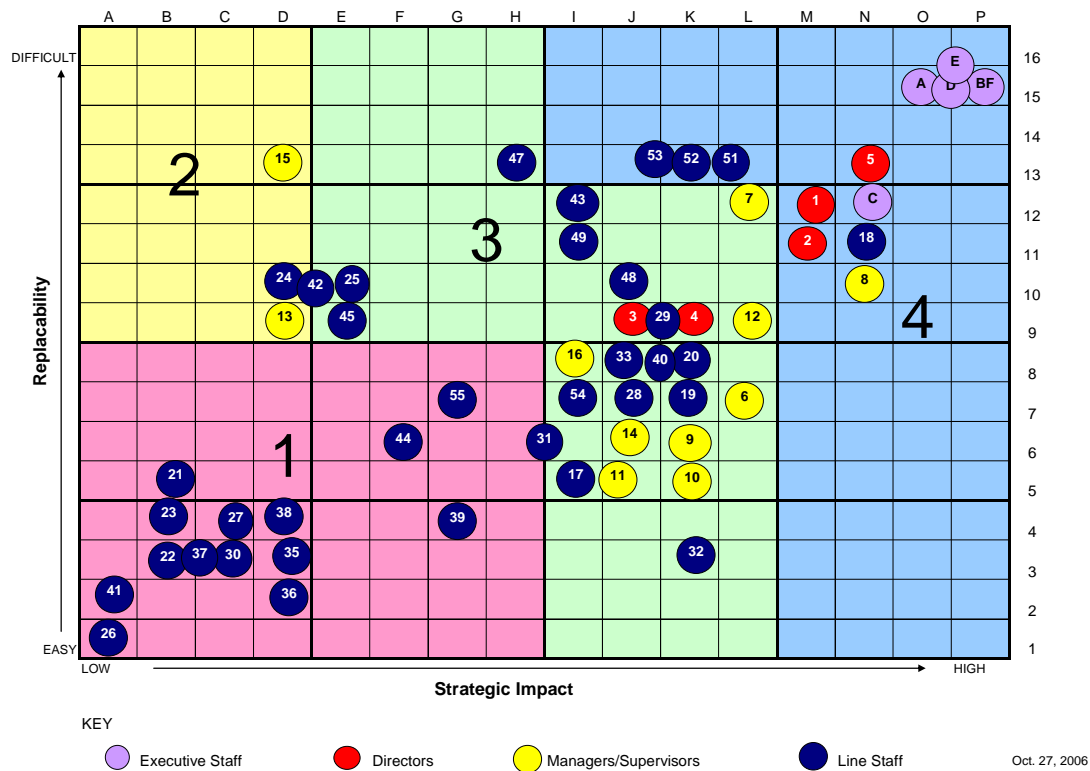
The purpose of the talent segmentation exercise was to gain a clear understanding of the positions that have the greatest contribution to strategy, the versatility and engagement of incumbents in those roles, and where the rising stars and high potentials were. The first piece of the exercise was to identify pivotal

Deborah DeMay

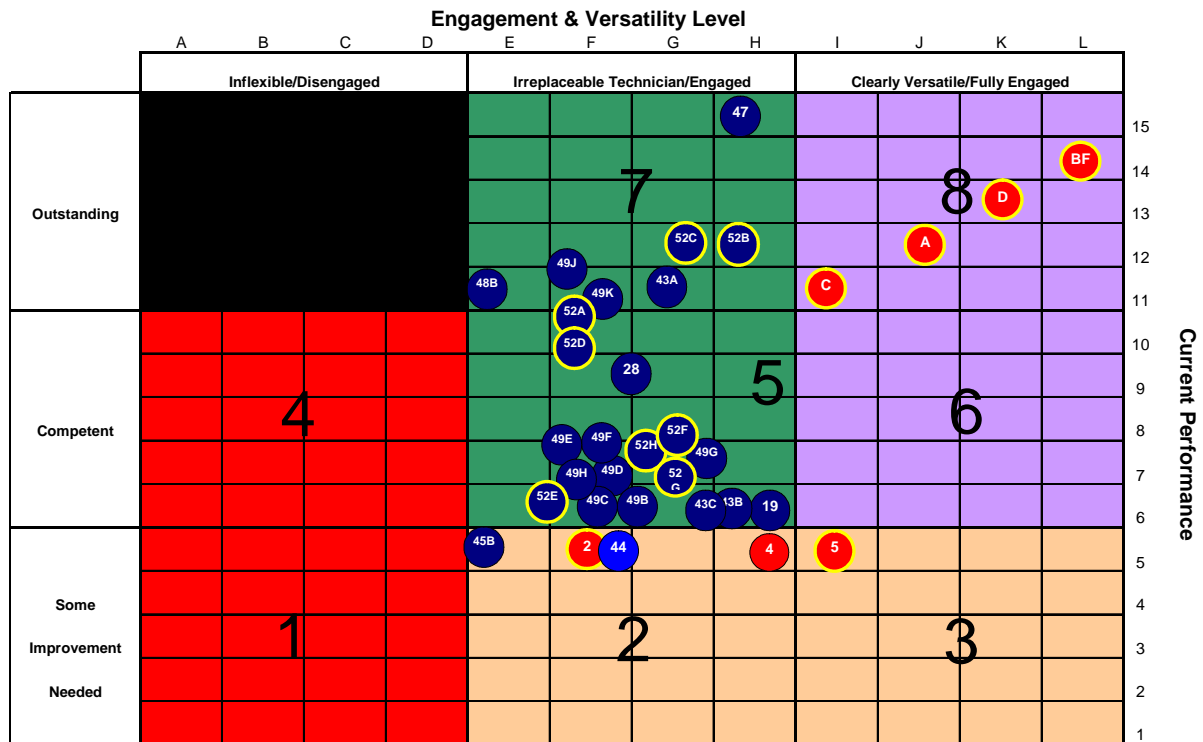
roles. The exercise was a facilitated discussion with the Executive Team. Because of the size of the organization, every position was discussed. (The numbers correspond to a list of job titles)

The definitions of the meaning of the boxes appear below and the completed Position Impact Chart is below that:

- ✚ **Pivotal Roles** (Blue) -- These are the jobs that have the greatest, most direct impact on execution of strategy. When identifying pivotal roles, we are not referring to the "A" players or senior executives who command the highest salaries. More often these roles are not the ones on the annual report. The nature of pivotal roles varies by industry or organization. It is critical that high performers occupy these roles, and that intellectual property and succession issues are addressed.
- ✚ **Backbone** (Green) – These are the roles that are usually operational in nature that are essential to keep the organization running smoothly.
- ✚ **Intellectual Property Risk** (Yellow) -- Because the replacement factor is high, but the strategic value is low, these jobs can create a major drain on an organization if they should turnover without a plan to mitigate the intellectual property loss.
- ✚ **Marginal Value** (Pink) – These positions can either be left alone, outsourced, redesigned, or any other number of possibilities with little impact on the organization's ability to effectively execute strategy.



The second piece of the exercise was to discuss current performance of all individuals in the organization as well as their current engagement level. An employee needed at least 6 months of service to be considered. This was also a facilitated exercise with the Executive Team. The end product for the next discussion was to code the Employee Segmentation chart with the results of the Position Impact Chart to get a feeling for organizational depth. A sample of the resulting chart is below. (The numbers correspond to a list of employee names.)



COLOR KEY

- Directors in Pivotal Roles
- Directors Backbone Roles
- Managers
- Managers with IP Risk
- Line Staff in Pivotal Roles
- Line Staff Low Value Roles
- Line Staff Backbone Roles

“A” Talent (Purple) – Can play major roles in leading and managing just about any type of change. You can give them new and expanded responsibilities; they should adapt with ease. They need to be aggressively managed in order to retain them.

“B” Talent (Green) – They are the “solid citizens” of the organization, and will perform well in the midst of change. You can’t count on them to drive change, but you can count on them for support and performance. The strategy for them is that they will likely stay in place. However, given sufficient time and development they can handle new roles and responsibilities.

“C” Talent (Salmon) – Probably won’t add value during times of change, and will only make marginal contributions. You must take a quick/aggressive approach to improve their change capability.

“D” Talent (Red Orange) -- Doubtful they will be able to handle unfamiliar or “stretch” assignments as they have demonstrated negative responses in the past. In fact, they probably won’t be able to meet the new performance standards that will likely come as a result of change. The odds are that they don’t have much of a future with the company.

What the Executive team uncovered through this exercise is that they had a number of leaders and staff in pivotal roles who lacked the capability to contribute in a way that would help move achievement of strategy along. Additionally, potential successors for key roles were far and few between. There were a few positions declared “intellectual property concerns” in that while they didn’t contribute strategically, they were hard to fill and the incumbents possessed a great deal of company knowledge.

Recommendations following Talent Segmentation Exercise:

1. Identify the organization’s size and scope 3 years from now – who can be groomed for *broadened* roles
2. Ensure managers who have employees in pivotal roles and high performers can manage them effectively.

Deborah DeMay

3. Monitor the 14 hires that were not placed on grid (<6 mos. Svc. – one was in a pivotal role) and the 15 who have <1 yr service (5 were in pivotal roles) to see if they demonstrate versatility
4. Consider using openings to strategically seed change/versatility
5. Take care not to over-inflate performance of new hires
6. Ensure new managers have experience and/or training in managing people before putting in positions
7. Focus development efforts on high performers and pivotal role incumbents

The results of this exercise were also used to challenge performance appraisal ratings. The result was that most ratings supported the employee's placement on the grid. A few were higher or lower, but that resulted in a robust discussion as to why.

The senior leadership replicated this exercise with the Director level. Interestingly the Directors identified 34% of the organization as “outstanding” in performance even though they were not achieving their goals. This resulted in senior leadership working more closely with the Directors to define and measure performance.

Improve Role Clarity Through Results-Focused Job Descriptions

Because the core business of the organization is knowledge work, addressing the need for greater role clarity took on the form of a results/measures format. Results-Focused Job Descriptions effectively:

- Defines the requirements of the job to ensure appropriate person matches.
- Assists interview teams by providing a tool to give everyone the same picture of what a successful candidate should be able to do.
- Provides employees with the expectations of his/her job.
- Gives measurable criteria to gauge performance – keeps us out of the “activity trap.” (Rewarding someone for doing a lot of things, but not accomplishing much.)
- Provides a framework for counseling employees on career opportunities.
- Facilitates the ability to match jobs to market.

Job descriptions were re-written to identify the critical few results that the job delivered, how success would be measured, and the behavioral characteristics required for success. This generated dialogue among leadership on the expectations of managers who had people responsibilities, to the development of strategy, and to shaping the culture of the organization. A sample of a new position that came out of this exercise (Director, HR) is attached.)

In addition, the management team was given a bonus objective of using the results of the various exercises to identify their talent strengths and weaknesses and create a talent plan.

Prologue

About 5 months after this work was completed, the President left the organization. A new President was brought in. The talent segmentation results were used to identify where individuals could be placed in the newly designed organization and identified skills gaps that resulted in several high-level external hires. Turnover has significantly decreased and they have recently attracted some high-level engineering talent.

SAMPLE RESULTS-FOCUSED JOB DESCRIPTION

POSITION: Director Human Resources

REPORTS TO: President

SUPERVISES: Human Resources Manager

Works closely with the President, EVP and Executive Team to design, develop and implement effective people strategies and tactics to support capability and profitability. Understands the industry, and priorities of the business. Represents the human capital perspective during the business planning process and establishes strategic business plans and long-range goals. Identifies opportunities to gain competitive advantage; specifically in the areas of building a new level of organizational capability, proactive talent management and organizational development. Fosters the development of existing executive and management team members as well as identifies new talent to support the growth of the company. In addition, oversees the day-to-day implementation of policies and procedures in the areas of staffing, employee relations, compensation & benefits, performance management, training & development, payroll management, and monitoring and ensuring compliance with the Company's legal obligations to employment laws.

Critical Success Factors

- Mobilizer***
- Strong influencing capability - skillfully influences peers, colleagues and executives to promote and sell ideas; must build broad-based business relationships across the organization
 - Able to put issues on the table that are sensitive and potentially emotional in a manner that enables movement toward improvement/resolution.
 - Ability to design and deliver an agile organizational structure that enables the movement of people and resources quickly to capture new market opportunities.
 - Ability to create an environment that can anticipate and plan for changes to current organizational policies, practices, systems, etc. needed to move in new strategic directions and to ensure long-term business viability.
 - Ability to move people from compliance to commitment, and put a strong emphasis on responsibility and accountability.
- Analytical Thinking***
- Ability to identify the true problem vs. the presenting problem; as well as the ability to recommend the appropriate intervention to address its resolution.
 - Understands the business metrics used to measure the business. Uses data to identify people trends, patterns, issues and opportunities that impact the business. Gathers and analyzes data to identify root causes of issues and trends.
- Talent Champion***
- Conducts in-depth supply and demand analyses of the current and future people and competency needs of the organization and develops strategies and plans to meet those needs. Partners with business leadership to define the impact of strategic business objectives on people and develops strategies and initiatives that support the business objectives.
 - Ability to lead the organization in attracting, developing, and retaining talented individuals to ensure that people with the right skills are in the right place at the right time.

- ⇒ Ability to relentlessly identify and secure high-caliber, high-potential talent.

Scope of Authority & Accountability

People: *Limited* in terms of having one direct report. *Extremely Complex* from the perspective of developing and implementing effective HR programs through management.

Operations: *Moderately Complex* (e.g. determining departmental process improvement opportunities, evaluating effectiveness of HR programs).

Money or Capital: Position has limited direct authority regarding the use of money or capital, however, judgments involving fiscal resources are *Moderately Complex* from the perspective of understanding personnel costs and the appropriate management of those expenses to assist business.

Results & Measures

Management Team Ready to Meet Future Business Needs (30%)

- A. Assists managers in developing or maintaining skills necessary to drive high employee performance, appropriately communicate achievement and improvement opportunities to employees.
- B. Creates an ongoing learning environment in which managers can develop people management skills, in either formal or informal settings.
- C. Influences managers so that they become more effective leaders of people and handle employee relations issues with increased effectiveness.
- D. Develops systems and tools to inventory existing talent to identify “in line” successors as well as long-term or “high potential” candidates.
- E. Develops and drives a multi-pronged management assessment process (360 feedback, psychological assessment, assessment centers, interviews, etc.) to identify current capabilities

- Executive Team agrees that managers are effective in:
- Building high-performing teams
 - Selecting and on-boarding talent
 - Setting goals and holding staff accountable for performance
 - Communicating expectations and performance
 - Their ability to facilitate creation and implementation of development plans for high performing/high potential employees
 - Dealing with poor performers
- Assessment data shows that competency gaps are being closed.
 - Leadership pipeline in line with organizational strategy

Talent Management Linked to Business Goals (25%)

- A. Partners with business leadership to define the impact of strategic business objectives on people requirements and develops HR strategies and initiatives that support achievement of business objectives.
- B. Conducts in-depth supply and demand analyses of the current and future people and competency needs of the organization and develops strategies and plans to meet those needs.
- C. Facilitates the design of structures and reporting relationships that match organization strategies and goals.
- D. Drives appropriate work analysis and job design/redesign to

- Company leadership is satisfied that plans correctly identify the organization’s high priority needs.
- Workforce plans are implemented effectively and efficiently.
- % of identified skills acquired within the time period

Results & Measures

establish clear standards for excellent performance (e.g., job descriptions, competencies, etc.).

- E. Develops and implements systems that help match an employee's performance and career ambitions to his/her capabilities, so that they remain competent as the expectations and demands of work change.
- F. Works with managers to identify the gap between current performance (at either the individual, process, or department levels) and desired performance. Recommends and assists in the implementation of performance improvement activities to close the gap.

HR Policies & Programs that Promote Employee Engagement (25%)

- A. Positions the company's HR programs to attract & retain the best talent in key positions (those who directly add value to the strategic objectives of the company).
- B. Aligns HR policies, practices and systems to support the organization's direction. Maintains fair and consistent employment actions Company-wide by initiating, coordinating, and enforcing HR policies and procedures.
- C. Monitors competitive trends and identifies the organization's position with regards to Total Rewards. Implements/changes offerings as required.
- D. Formulates and implements employee relations and communications programs to ensure high employee morale, performance and retention.
- E. Develops and administers all necessary compliance programs to ensure adherence to present and future US and local legislation.
- F. Develops better, faster, more efficient ways of doing HR tasks as well as eliminates unnecessary work and all non-value-added activities to enable the HR department to focus on work that generates greater value.
- G. Facilitates the design and ongoing modification of benefits program to meet changing market conditions, new regulatory requirements, or changing organizational objectives.
- H. Manages relationships with third party administrators and vendors to ensure that benefits programs are administered as intended.
- I. Selects, recommends, and negotiates with carriers to provide the broadest spectrum of employee benefits and the most reasonable cost to the company.

Qualified, Effective Hires (20%)

- A. Ensures application of a rigorous process and specific criteria in hiring and selection decisions. This includes identifying and applying selection instruments to determine applicant

- 95% key employee retention rate
- Success level of newly hired employees
- Engagement scores are within desired specs

Executive team says that:

- HR policies and programs support the retention of employees.
- HR policies are designed to reinforce the majority of employees who do the right thing (not the exceptions).
- Programs and costs are consistent with the corporate values.
- Programs or policies are initiated before they are demanded by a problem.
- No material fines or lost lawsuits occur due to non-compliance with laws or regulations.
- Programs and policies are provided in time to support business goals.
- Compensation policies and programs support the retention of high performing employees.

Success rate of new hires:

- No more than .5% of all turnover is due to a mismatch with position.

Results & Measures

<p>capabilities in key areas of the job. Ensures managers are educated and capable of effective selection.</p> <p>B. Ensures the development and communication of a strong employment brand that attracts the "candidate of choice."</p> <p>C. Conducts job analysis' as appropriate and distills results into an effective, accurate description of the job sufficient to provide a common view of success to everyone who will be involved in the recruitment of the position.</p> <p>D. Leads the selection process for Pivotal roles ensuring that the individuals brought into the organization meet the identified requirements of job.</p>	<ul style="list-style-type: none"> • Strength of employment brand <p><i>Quality of Pivotal Role Candidate Pool:</i></p> <ul style="list-style-type: none"> • # qualified applicants per hire for our most important hires • Mgmt. Interview-to-offer ratio ≤1:3 • Offer to acceptance ratio ≤1:2
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Position Qualifications

Minimum Education

Bachelors degree in human resources, organizational development, or other relevant discipline. Masters degree in Human Resources or related discipline preferred..

Minimum Experience

Eight (8) years impactful and increasingly responsible leadership experience in fast growth entrepreneurial companies (preferably in high tech environment). Experience should include, functioning in a role of similar scope and complexity. Experience in acquisitions preferred, but not required. Experience with immigration preferred.

Other Skills/Knowledge/Experience

- Strong business and financial acumen, with experience in measurement, data analysis and interpretation.
- Demonstrated leadership skills such as organizing, problem-solving, planning, communicating and decision-making necessary for effective management.
- Generalist ability in all disciplines of human resource management.
- Ability to counsel with employees and management, demonstrating confidentiality and resourcefulness.
- Working knowledge of Federal and State regulations affecting benefits, recruitment and employee relations programs (e.g. ERISA, FLSA, FMLA, ADA and the like)
- Computer competence necessary to extract and analyze data. Proficiency with Excel. Average knowledge of Microsoft Word, and prior experience with a relational database.
- Understanding and skill in use of broad range of recruitment tools and services including Web-based services; contingent and retained search consultants

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