

Avery Dennison

Talent Management Strategies

By Marilyn Kruger



A diversified manufacturing and consumer products company whose pioneering technologies are an integral part of products found in virtually every major industry around the globe

Founded in 1935

- \$6.3 billion sales in 2007
- 2007 *Fortune* 500 ranking: 382 (AVY)
- More than 36,000 employees located in more than 275 manufacturing facilities in 60 countries

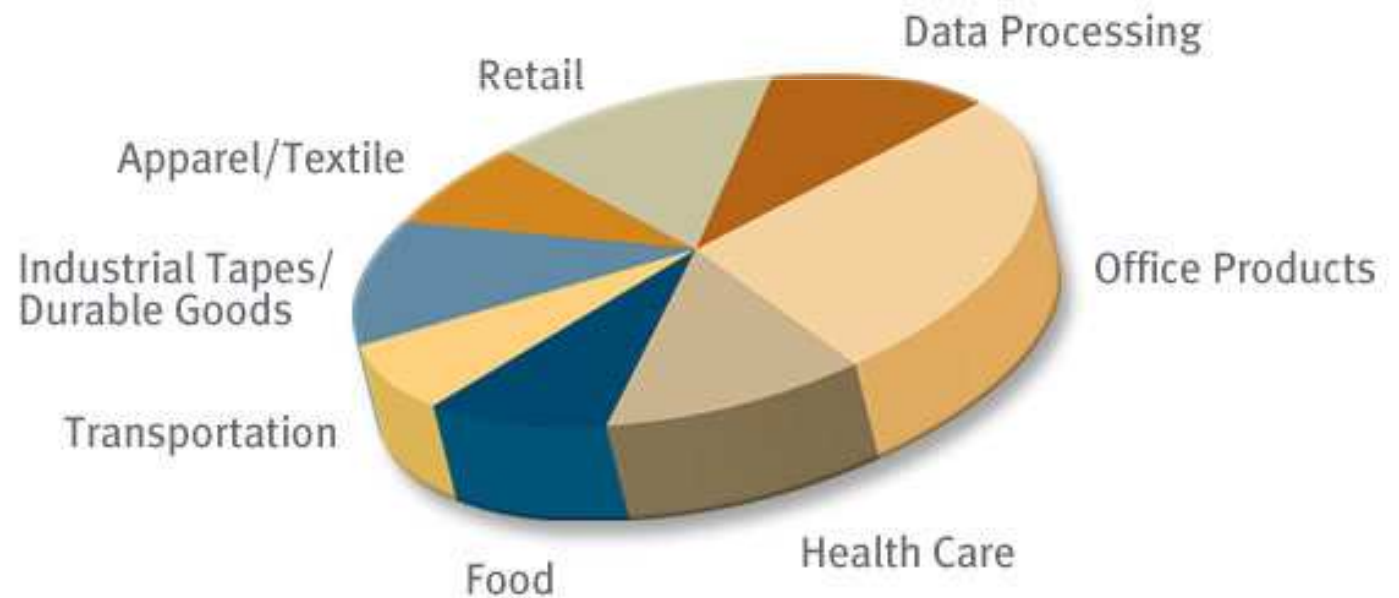


Dean Scarborough
President and Chief Executive Officer

Office and Consumer Products

\$1 billion

16% of Avery Dennison total sales

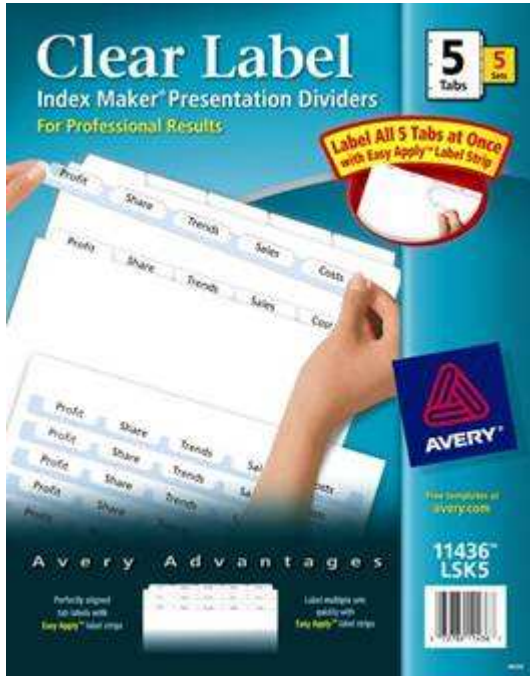




*Global markets served: North America, South America, Asia Pacific, Africa, South Asia

Avery Dennison Strategic Staffing

Office Products



Brands represented:



Objectives, Goals, Strategies and Metrics

Each Business Unit within Avery Dennison produces an OGSM strategy for the fiscal year. The Office Products Business Unit has included Talent Management as an important strategy for 2009. There are three main goals.

Objectives - To focus on retention of top performers, assertive action on the part of "people managers" to effectively re-direct performance issues. Succession and talent management and a significant revision to the Employee Performance

- Goals**
- 1) Retention of top performers and increase employee engagement
 - 2) Address poor performance issues, and assign accountability to "people managers"
 - 3) Identify skill gaps and create profiles of talent for strategic growth positions

- Strategies**
- 1) Strategic workforce plan
 - 2) Talent Strategies
 - 3) Retention program and Talent Development
 - 4) RRAM (reinforce, recognize, accountability, metrics) Accountability of managers

- Metrics**
- 1) Top performer attrition
 - 2) % roles filled internally
 - 3) Value Profit Chain
 - 4) Value impact to bottom line – Talent Quotient (TQ) improvement

Strategic Workforce Planning

Bench Strength - Evaluation and Building

- Analyze 2 years back and 2 years forward
- Identify critical positions
- Confirm “ready now” succession employees
- Identify poor performers
- Profile growth positions and build pipeline

Strategic Workforce Planning

- Create Talent Profiles
- Skill Gap Analysis – Supply and Demand
- Create Skills Taxonomy to implement career development and support retention
- Close gap with 6 B’s-Build,Buy,Borrow,Balance,Bounce,Bind

Talent Strategies – Life Cycle Functions

Plan, Acquire, Engage, Develop, Deploy, Lead and Retain

- Plan – Talent supply and demand for 2 years/Profiles
- Acquire – Recruiting strategy
- Engage – Onboard, train, socially integrate, measure
- Develop – Career development, succession plan, 3for1, 70/20/10
- Deploy – Skills Taxonomy, right people, right skills, right job
- Lead – Performance Plans, emotional intelligence, talent management
- Retain – most important – develop program, location, department and manager, shoves and tugs scorecard

AND Evaluate – measures and techniques to improve and assess the impact of Human Capital within the enterprise – Talent Quotient

(diagram of TM life cycle functions)

Retention Program

- Research what other companies are doing
- Conduct focus groups and send a survey to managers and hiring managers to establish retainers
- Review and evaluate results
- Design program to suit
- Shoves and Tugs scorecard for each employee to be retained
- Assess multigenerational workforce

Evaluate Human Capital

- Beyond traditional measures, quality, time, engagement, bench, innovation, knowledge sharing
- Financial impact of engagement
- Value of intangible assets on balance sheet
- Gladwell's Rule of Seven-Customer, Innovation, Brand, Internal Processes, Business Relationships, Quality of Management, Productivity
- Ongoing measurements

“In the New Economy human capital is the foundation of value creation. This presents an interesting dilemma: The asset that is most important is the least understood, least prone to measurement, and hence, the least susceptible to management”....David Norton

Talent Development

- Offer interesting and exciting opportunities for growth
- Skills rotation through function, business unit and Global
- Individual development plans
- Design training programs to be effective
- 3 for 1 – Trifecta, employee responsible, employee-manager coaching, company needs to provide opportunities and programs
- 70/20/10 program – 70% learned on the job, 20% formal coaching and connecting with other, 10% training

RRAM

(Reinforce, Recognize, Accountability, Metrics)

- Reinforce - communicate through action, champions spread message, respected role models endorse change
- Recognize - accomplishments of others, nonfinancial incentives, recognition by executives, managers and colleagues, SSIP formula: sincere, specific, immediate and personal
- Accountability - directly tied to measurable performance objectives or bonus criteria, person's evaluation rating, promotion or pay is tied to performance of desired behavior
- Metrics – segmented engagement levels, segmented turnover data, readiness levels for key positions, talent quotient, % of internal vs. external hires for critical jobs

Business Metrics :

- Top Performer Attrition - Retention **goal is <3%**
- Employee Survey Actions
- % Roles Fill Internally - **current >50%**

Business Metrics : cont....

Value profit chain

**Employee satisfaction as primary driver to customer loyalty-
results in % increase in bottom line performance**

- 2008 employee engagement overall % = **X**
- % goal to increase engagement = **X**

**Value impact to bottom line = TQ improvement (Talent
Quotient)**

- measure after mid year GPS and measure financial bottom line performance if goal achieved to-date

(diagram of HC Advantage Value Chain)



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DENNISON**

