

BUILDING A HIGH PERFORMANCE ORGANISATION: An Integrated HR Model

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Director

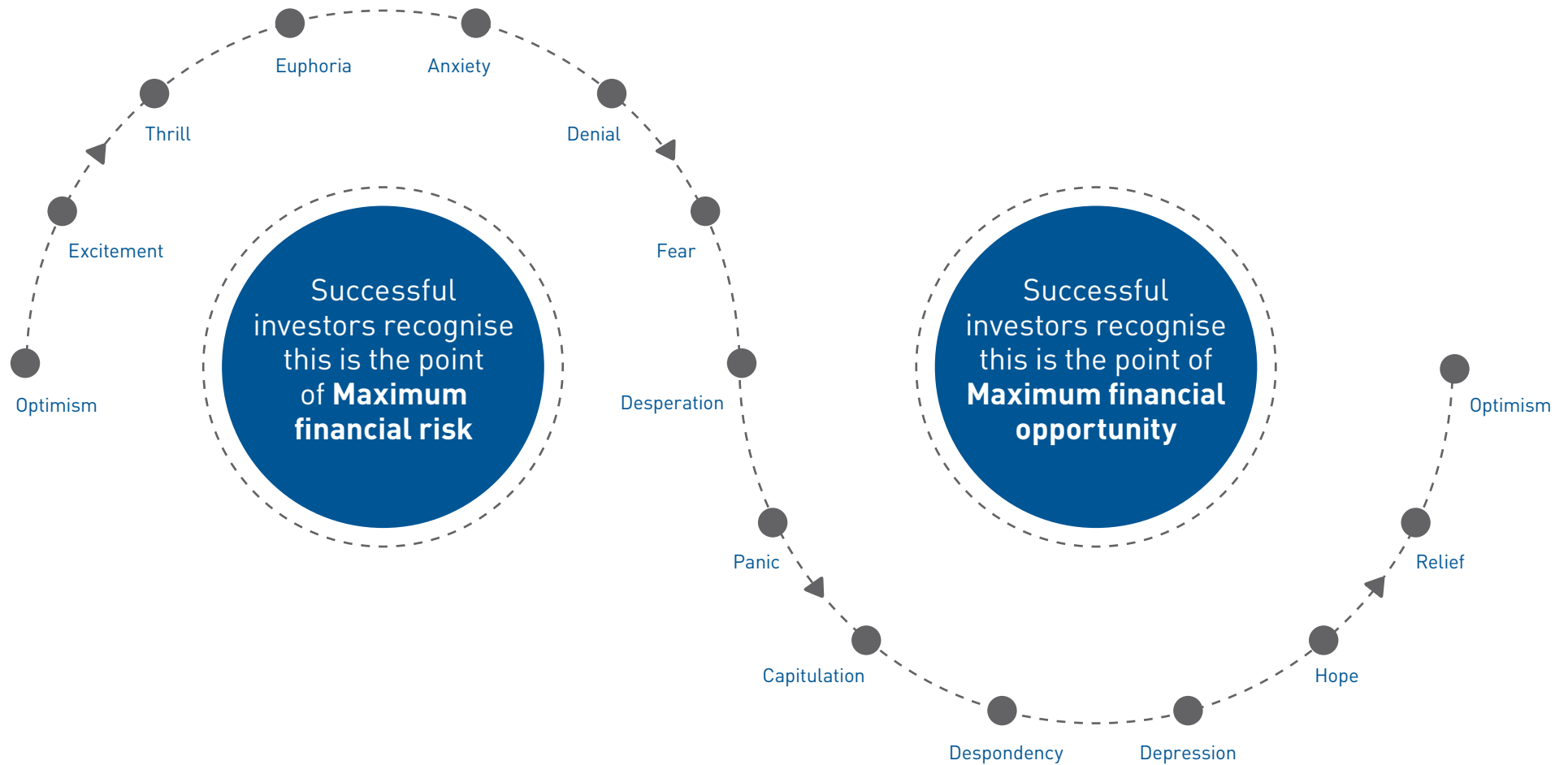
Quantum Management Indicators



1. Introduction
2. The New Leadership Psychology
3. Talent Management
4. Employer Branding
5. Employee Engagement
6. Measurement

INTRODUCTION

THE CYCLE OF MARKET EMOTIONS



Source: Russell Investments

The economy is expected to grow by 2.25% in WA and 1.9% overall in 2010.

The unemployment rate peaked at 5.8% and will fall to 5.3% in 2010.

Business leaders are rightly cautious about the volatile global 'recovery'.

In the past HR departments have come through recessions with a tainted reputation.

This was caused by:

- Being reactive rather than strategic
- Facilitating widespread lay offs, resulting in loss of key talent
- Lack of creative strategies into flexible work options and workforce demographics.

QUANTUM: INTEGRATED HR MODEL

1. LEADERSHIP

Identify required leadership behaviour

Purpose
Values (Culture)
Vision
Principles

2. EMPLOYER BRANDING

Tie business objectives to the employer brand

Develop an employer branding tool for new hires

Gain feedback from new hires

3. TALENT MNGT

Recruitment
Induction
Development
Deployment
Performance
Success
Rewards
Engagement
Retention

4. ENGAGE

Build a community culture within the organisation

Importance of Hygiene vs. motivation factors

Management effectiveness in fostering engagement

HR SUPPORT - Policies and procedures, compensation, legal, communication

MANAGEMENT SUPPORT - Goals, strategies, work teams, problem solving, communication, supportive leadership

QUANTUM: INTEGRATED HR MODEL

5. IMPLEMENT

Plan when & how and when to implement strategies

Action the chosen HR strategies

6. OUTPUTS

What are the tangible effects of the HR strategy

Increased retention
productivity & engagement

7. MEASURES

Retention,
Absenteeism,
Engagement,
Leadership,
Benchmarking,
Internal customer service and
Employer Branding.

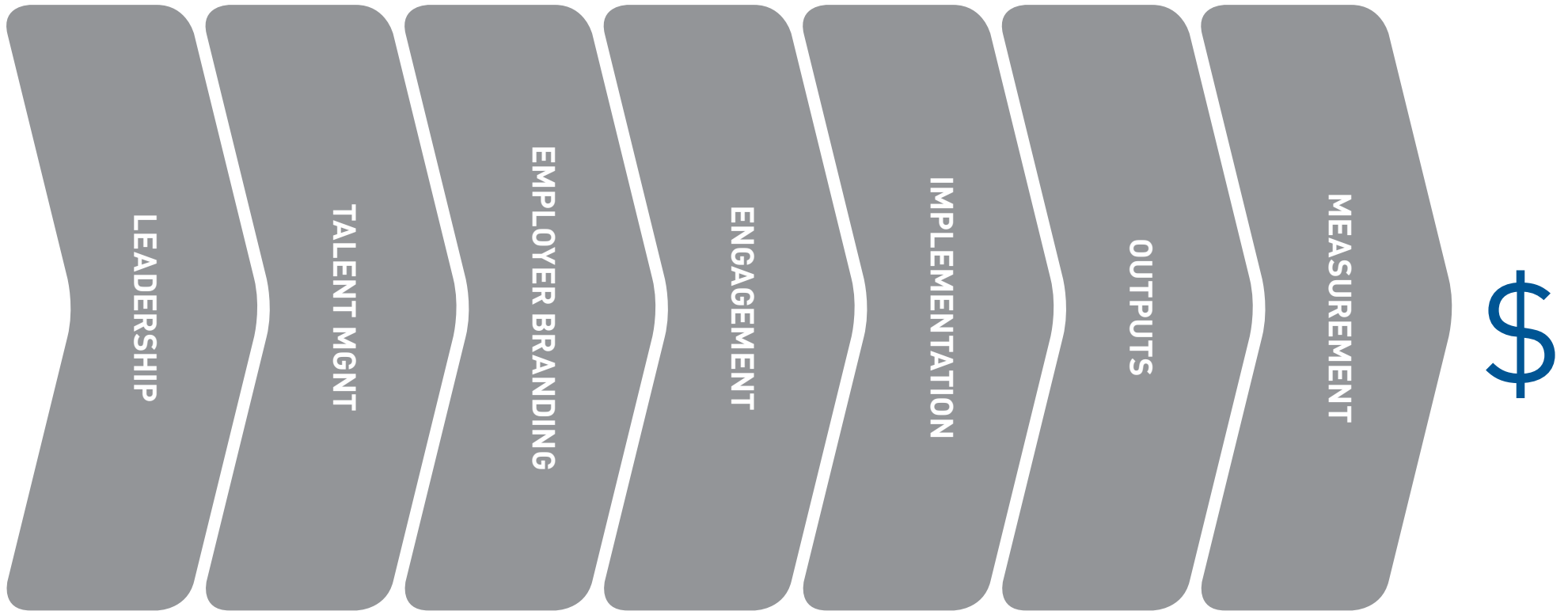


HR SUPPORT - Policies and procedures, compensation, legal, communication

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THE NEW LEADERSHIP PSYCHOLOGY

QUANTUM: INTEGRATED HR MODEL



HR SUPPORT
MANAGEMENT SUPPORT

Collins and Porras in their classic book Built to Last found a set of guidelines and principles which leaders applied:

- Be a clock builder, not a time keeper
- Preserve Your 'Core Ideology' (Purpose)
- Have a 'Cult-Like" Culture
- Look Inside for your Top Management
- Constantly Innovate
- Strong Dynamic Leader Not Necessary!

- Leadership development should be the number one priority of your organisation's strategy.
- Identify high priority leadership roles for development.
- Identify the behaviour needed for leaders to succeed.
- Once the behaviours have been identified, conduct a skills audit to identify shortfalls.
- Tie the leadership development plan into the core business vision and mission.

QUANTUM: APPROACH TO LEADERSHIP

	LEADERSHIP	MANAGEMENT
DIRECTION:	<ul style="list-style-type: none">• Creating vision and strategy• Keeping eye on horizon	<ul style="list-style-type: none">• Planning and budgeting• Keeping eye on bottom line
ALIGNMENT:	<ul style="list-style-type: none">• Creating shared culture & values• Helping others grow• Reduce boundaries	<ul style="list-style-type: none">• Organising and staffing• Directing & Controlling• Create Boundaries
RELATIONSHIPS:	<ul style="list-style-type: none">• Focusing on people - inspiring and motivating followers• Based on personal power• Acting as coach, facilitator, servant	<ul style="list-style-type: none">• Focusing on objects - producing / selling goods & services• Based on position power• Acting as boss

THE NEW LEADERSHIP PSYCHOLOGY

	LEADERSHIP	MANAGEMENT
PERSONAL QUALITIES:	<ul style="list-style-type: none">• Emotional connections (Heart)• Open mind (Mindfulness)• Listening (Communication)• Nonconformity (Courage)• Insight to self (Integrity)	<ul style="list-style-type: none">• Emotional Distance• Expert mind• Talking• Conformity• Insight into organisation
PERSONAL QUALITIES:	<ul style="list-style-type: none">• Creates change, often radical	<ul style="list-style-type: none">• Maintains Stability

GOOD TO GREAT: LEVELS OF COMPETENCE



Good to Great defined the most effective leader as a 'Level 5' leader.

Level 5 leaders build success through the apparent contradictions of humility and a strong will.

Examples: Jack Welch, Abraham Lincoln, Darwin Smith (ex-CEO of Kimberly-Clark)

Level 5 leader qualities include:

- Channels ambition into the organisation and not the themselves
- Avoids an ego-driven culture
- Acts with calm determination
- Gives credit to others for successes and takes responsibility for failures
- Develops successors to full potential

Can Level 5 leaders be developed?



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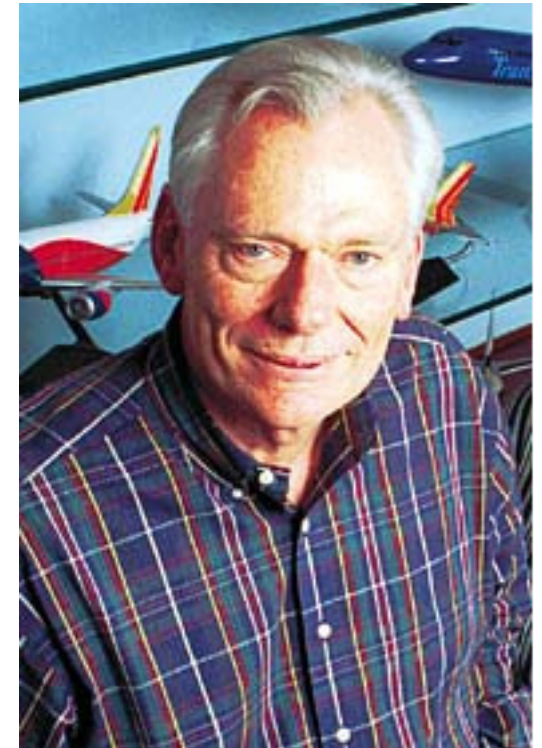
Kelleher's to be different has resulted in a very relaxed and fun-loving workplace where people work well together.

He knows most of the employees by their first name and has no inhibitions about status.

Herb Kelleher has managed to develop a unique culture.

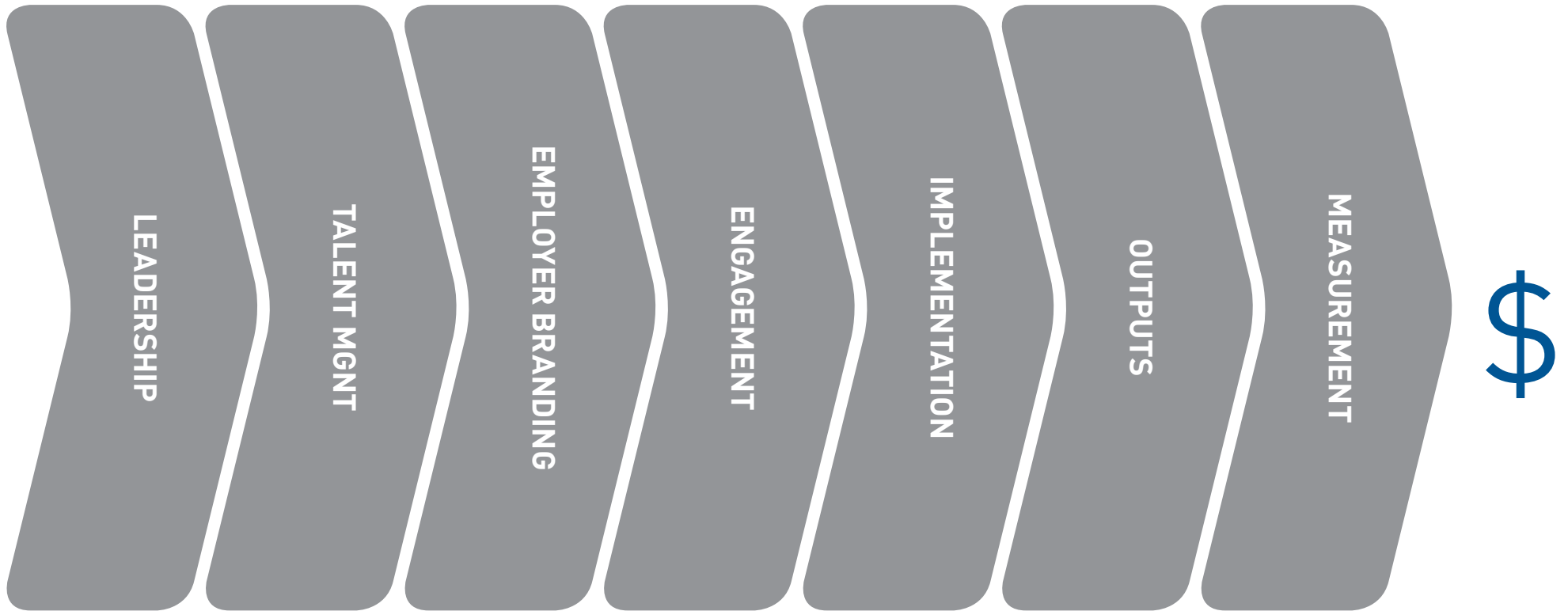
He has done this in a very sincere way, accepting people at all levels and relating to them very evenly and as family.

He is sincere and straightforward and is a leader who improves organisational citizenship behaviour.



TALENT MANAGEMENT

QUANTUM: INTEGRATED HR MODEL



HR SUPPORT
MANAGEMENT SUPPORT

According to the Financial Times (2008)

- Poor talent management is thought to cost the stock market approximately AUS\$4 billion a year.
- Approximately 77% of organisations experience talent management problems.
- Around 66% of organisations do not have an effective talent management strategy.

WHY TALENT SHORTAGES OCCUR

Ageing Australian population

Many Australians going abroad (1 million + Australians live abroad)

More stringent rules affecting 457 visas

Marked generational differences and expectations

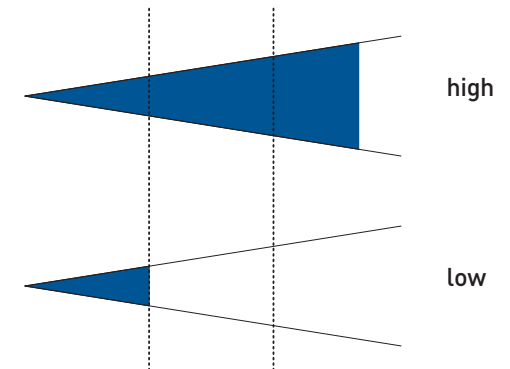
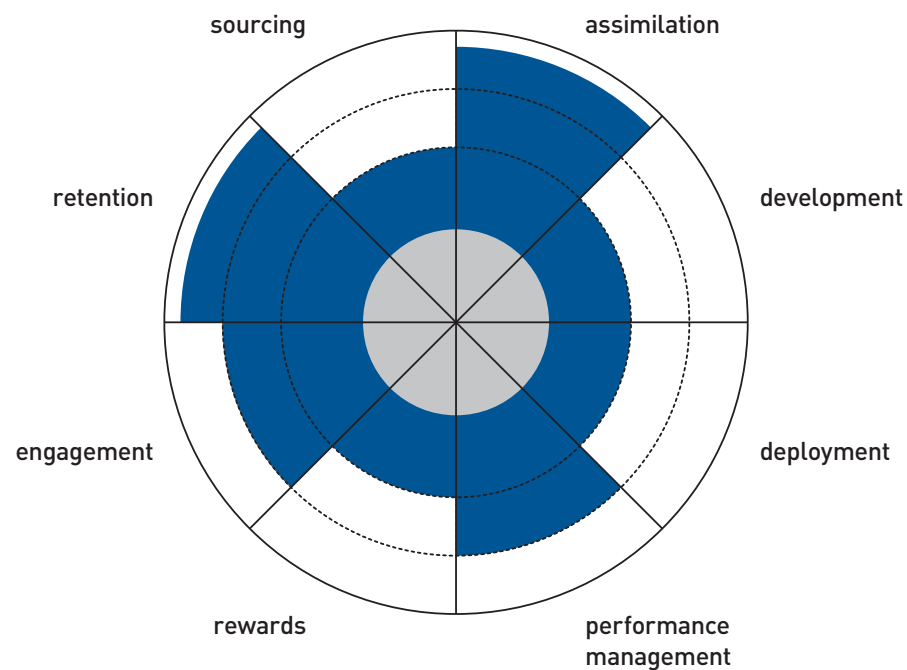
Well-thought out Talent Mgmt strategies form a major part of Employer Branding.

If Employer Brand does not reflect the organisational culture....not a good message to send to the existing or potential talent.

QUANTUM: APPROACH TO TALENT MGNT

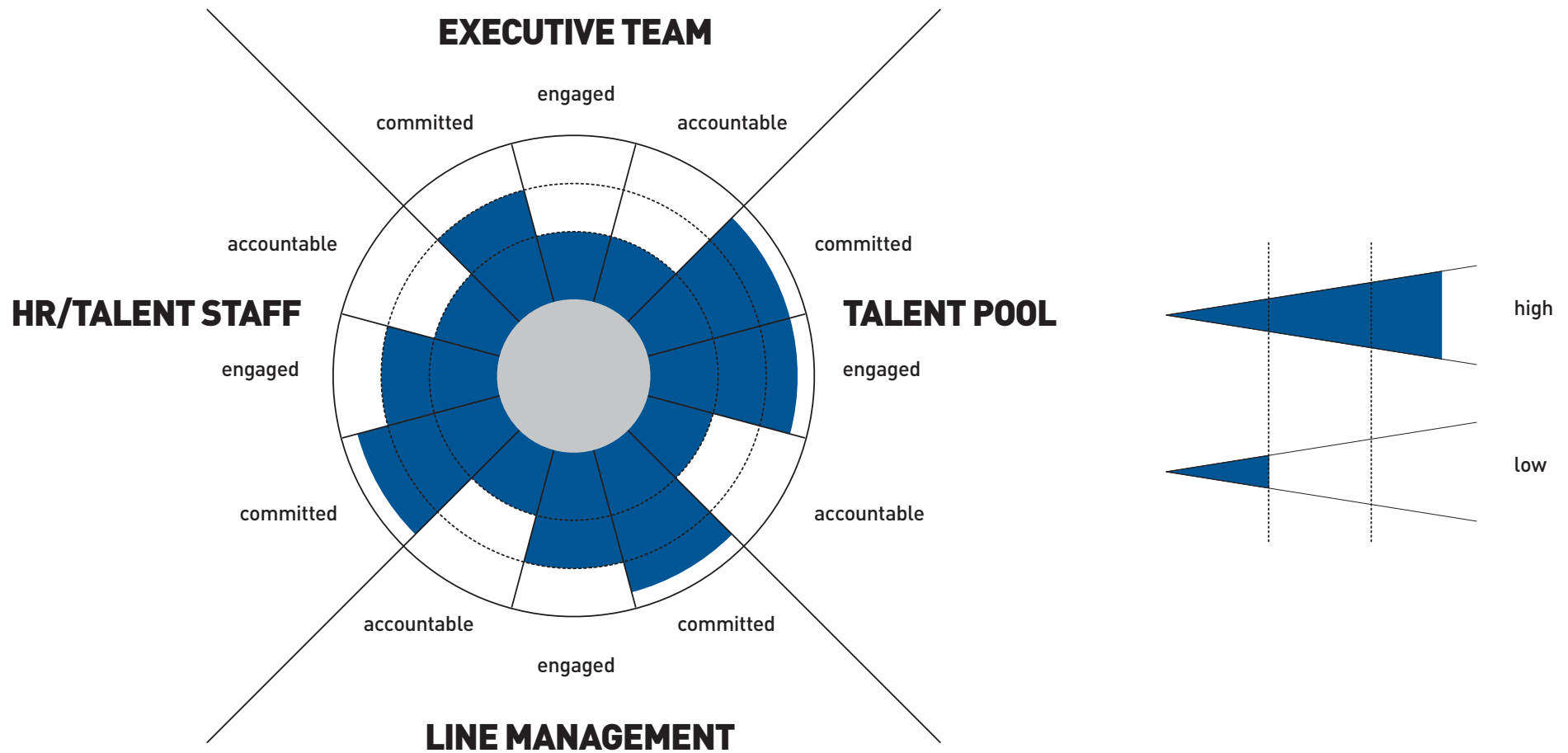
Vague definitions exist and vary by organisation!

Quantum's Stages of Talent Management:

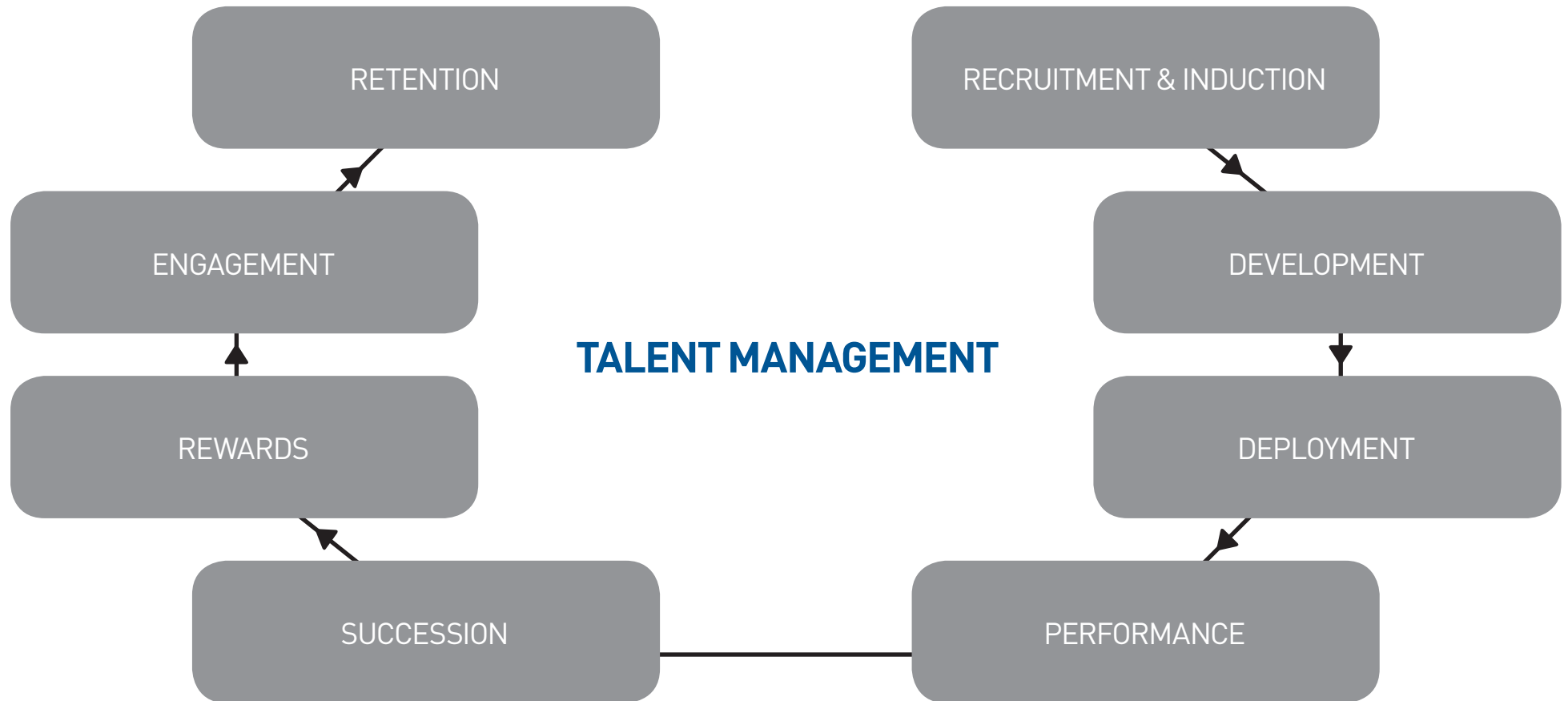


QUANTUM: APPROACH TO TALENT MGNT

Talent Management Support

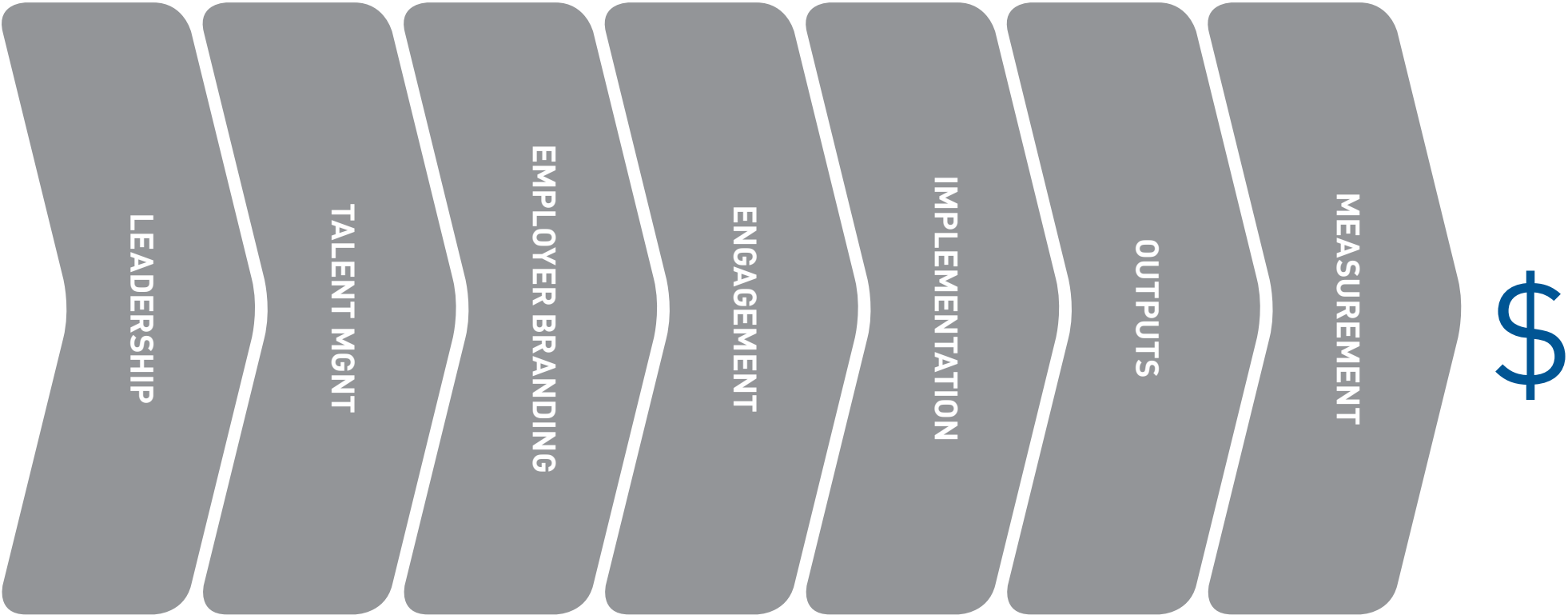


QUANTUM: APPROACH TO TALENT MGNT



EMPLOYER BRANDING

QUANTUM: INTEGRATED HR MODEL



HR SUPPORT
MANAGEMENT SUPPORT

DEFINITION OF EMPLOYER BRANDING

The image of the organisation as a 'great place to work' in the minds of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders).

According to a survey conducted by Hays in 2009, the top 3 companies to work for were: Government/public sector, ANZ and Virgin.

The Employer Brand includes:

- Your organisation's Purpose and Values (Culture)
- Your Leadership Capability
- Challenges faced by your organisation
- Vision and Direction
- Market performance
- Status in the Mutual Banking sector

It is the responsibility of every Department to develop an effective Employer Brand strategy.

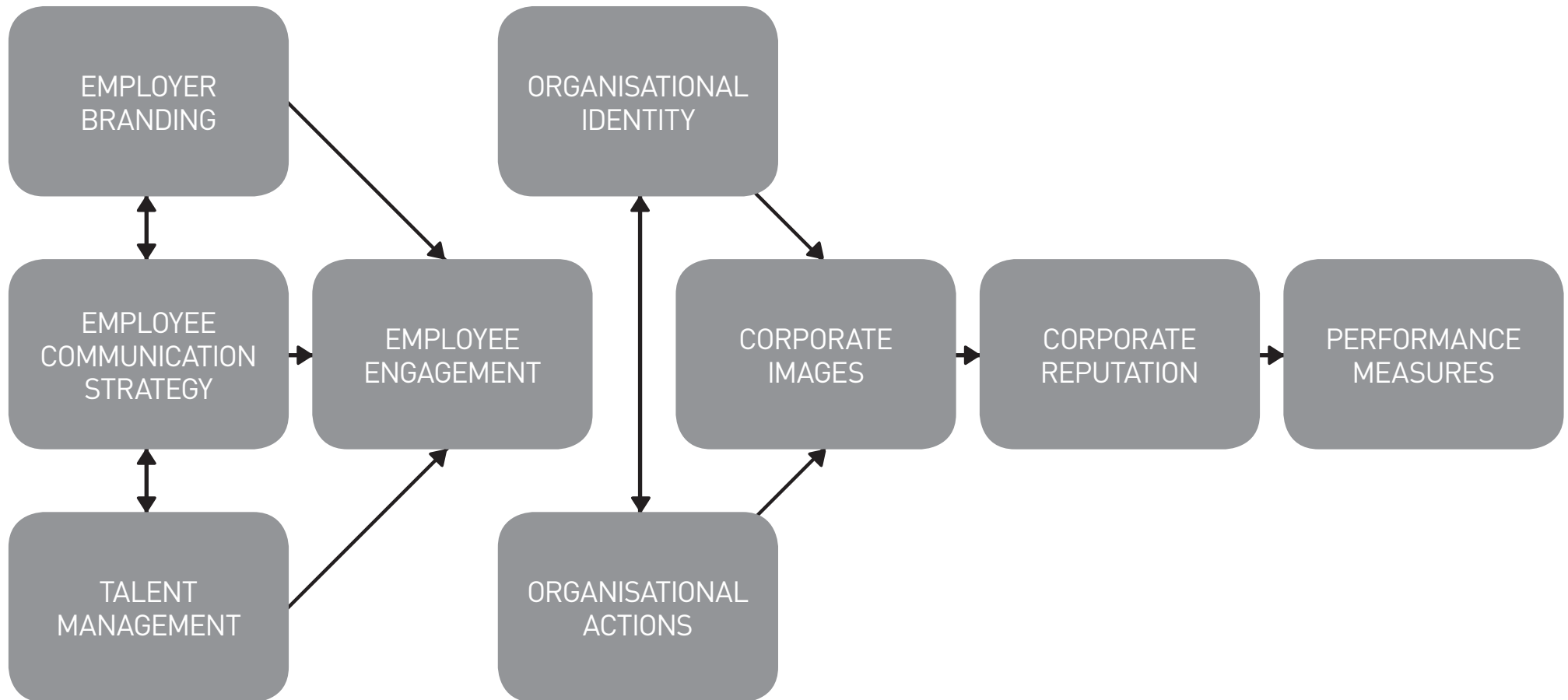
This includes career opportunities, work environment, training and development and the overall reputation of the organisation.

A survey conducted by the World Economic Forum found that 77% of employees believed that corporate reputation has become critically important.

Effective Employer Branding leads to:

- Employees being more committed to the organisation goals
- Increased employee retention
- Reduced recruitment costs
- Improved reputation as employees recommend your organisation as a good place to work
- Increased profitability

QUANTUM: EMPLOYER BRANDING/REPUTATION MODEL



1. Understand your core business objectives and tie it into the Employer Branding strategy
2. Assess the talent required to achieve these objectives
3. Develop an attractive Employer Brand for prospective employees.
4. Obtain feedback from recent recruits to validate your Employer Brand position.
5. Nurture internal Brand Champions

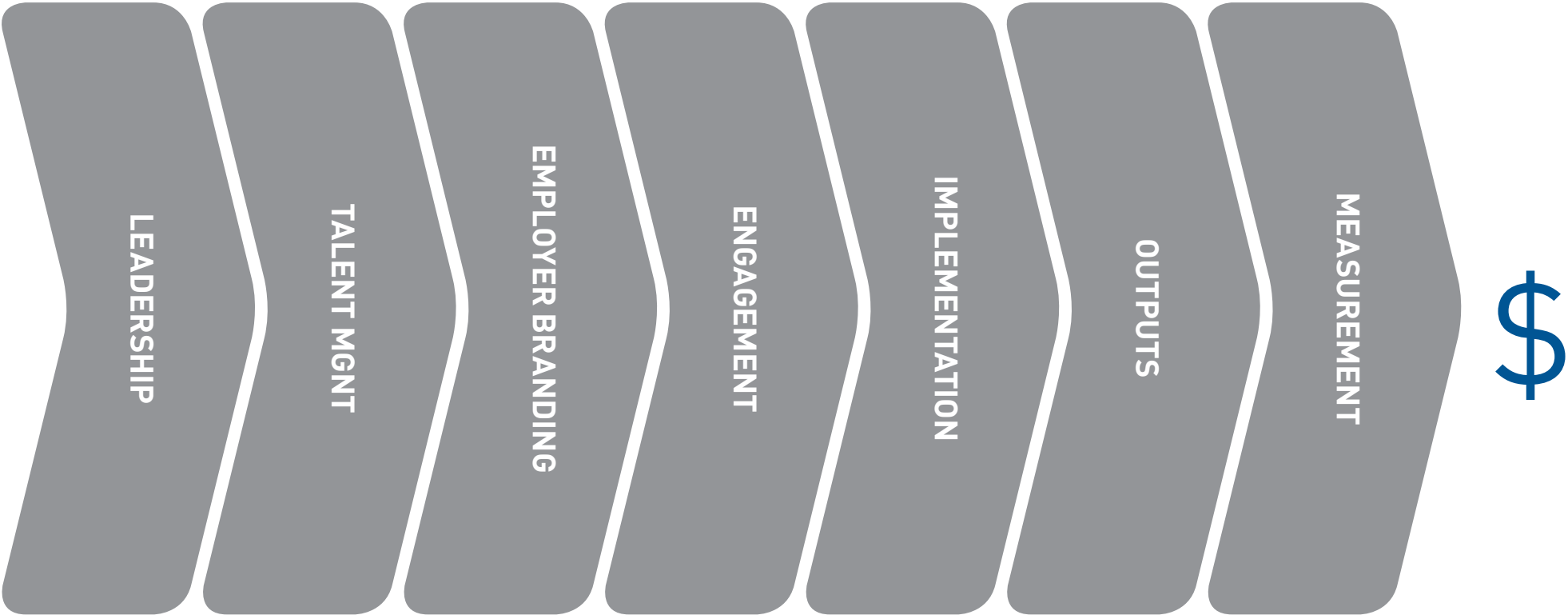
Employer Branding is not an easy concept to measure.

However, measures of ROI can include:

- Number and quality of job candidates
- Staff retention rates
- Traffic to your career website
- Employee Survey results

ENGAGEMENT

QUANTUM: INTEGRATED HR MODEL



HR SUPPORT
MANAGEMENT SUPPORT

The definition of engagement varies by organisation and who you talk to!

However, most benefits are agreed upon:

- Discretionary effort is put in by employees (up 16%)
- Greater collaboration between teams in helping external and internal customers (up 12%)
- Go the extra mile to achieve tasks Improved safety standards (up 57%)
- Labour turnover reduced (reduced 20%)

14 MAIN DRIVERS OF ENGAGEMENT

Hygiene Factors are extrinsic and enable employees to take their levels of commitment and motivation from Satisfaction through to Engagement.



Motivation Factors are intrinsic to the work itself and enable Engagement. They have the capacity to provide psychological fulfilment.

Quantum calculates your organisation's causal relationships to gauge drivers of engagement

The measures provide information on:

- Stay (intention to stay)
- Promote (speak positively about your organisation)
- Exceed (go the extra mile)

CASE STUDY: UNITED PARCEL SERVICES

UPS suffered from unengaged, young workers with a turnover rate of 50%. To increase the engagement level and decrease the turnover rate, UPS introduced a 5 part strategic plan:

- Meet the expectations of the applicants
- Communicate differently to different groups of workers
- Take better care of the new hires
- Give supervisors the freedom and training to manage people their own way
- Let them move on with new skills and good will

The results: In four years time, turnover had dropped to 6%. Annual savings due to lowered recruitment costs was \$1 million. Lost work-days due to work-related injuries dropped by 20%.

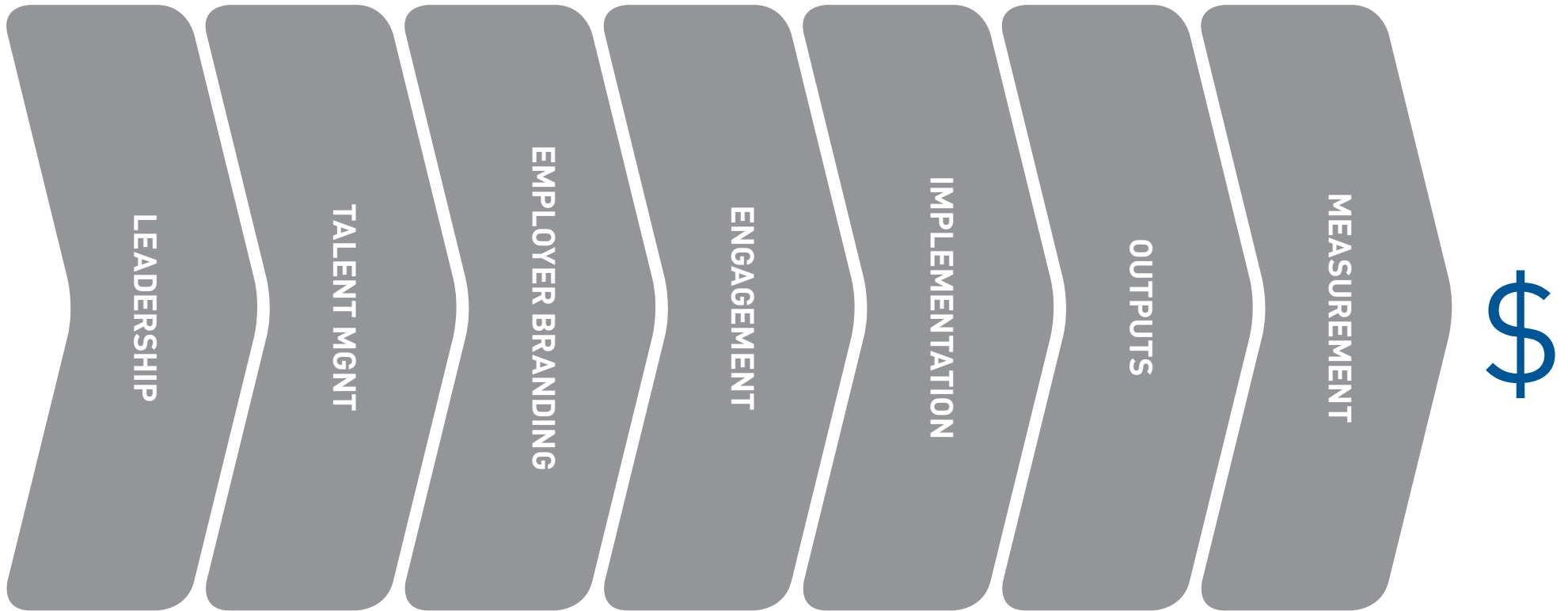
Sloan School of Business (MIT) survey in 2006 of 664,000 employees measured operating income, net income and earnings per share based on different levels of engagement.

There was a 52% gap in operating income between companies with highly engaged employees and those with low engagement scores.

According to Fitz-Enz (2009) the worst outcome of low engagement is the hidden specter of workers who 'quit on the job'.

MEASURING HR

QUANTUM: INTEGRATED HR MODEL



HR SUPPORT
MANAGEMENT SUPPORT

The goal of any HR strategy is to increase the productivity and profitability of employees,

Very few HR strategies are measured to gauge their quantitative impact.

HR strategies are measured by implementation costs rather than value

A UK based consulting firm found integrated HR practices involving skills training, recruitment, engagement and organisational strategy increased:

- gross profits per employee - AUS\$ 1087 to AUS\$ 2617.
- operating profit per employee - AUS\$ 1901 to AUS\$ 2143.
- profit margins per employee 1.2% to 3.7%
(ie the ratio of profit over sales).
- 0.1% increase in sales growth per employee.
- 3.1% increase in the probability of achieving sales from new technology.

1. Inputs/indicators: Measures inputs including the number of programs, attendees, audience, costs, and efficiencies
2. Reaction: Measures reaction to experience, content, and value of the program
3. Learning: Measures what participants learned—information, knowledge, skills, and contacts

4. Application and implementation: Measures progress post-program—the use of knowledge, skills, and contacts
5. Impact and Consequences: Measures changes in business impact variables such as output, quality, time, and cost-linked to the program
6. ROI: Compares the monetary benefits of the business impact measures to the costs of the program

THANK YOU

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