



Human Capital Optimization Survey Results

Prepared for: ABC Company

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Confidential Report



Executive Summary

This presentation provides a summary of the Human Capital Optimization survey results. ABC Company Executives and HR Leaders were invited to complete the survey. Fifty individuals completed the survey for a response rate of 61%. The survey is a useful diagnostic for identifying areas of strength and development needs within the Human Capital Optimization Framework. Specifically, it provides:

- Focus and specific insights to fuel Human Resource Strategy Development and Action Planning
- External Benchmarks
- Baseline by which to gauge and measure progress and impact of Human Capital Optimization efforts



Executive Summary of Key Findings

- ABC Company survey results illustrate that the arena of Human Capital Optimization provides a **rich opportunity** for organizational improvement
- Survey results display a **good deal of consensus** across the 50 respondents; with a few notable exceptions:
 - ❑ Respondents reporting 2 or fewer years with ABC Company were the most critical rater group; 6 of the 8 components of the model rated as weak and in need of improvement
 - ❑ Respondents in the 6 – 10 year tenure group, tended to be the most positive in their responses; yet still only rated 2 of the 8 components of the framework as solid strengths for the organization
 - ❑ The non-HR Executive group tended to be somewhat more positive in their ratings
 - ❑ The Region break-out of the survey was 64% Americas, 26% APAC, and 10% EMEA
 - ❑ The Americas group was slightly more positive in their responses; particularly in the areas of: Data Storage and Analytics and Senior Leadership Engagement and Sponsorship



Human Capital Optimization Framework

Human Capital Optimization Framework

Key Enablers

Leadership Engagement
& Sponsorship

Supportive Culture



Human Capital Optimization Framework

Strategic
Alignment

Performance
Management
Processes &
Systems

HR
Capability



Talent
Assessment

Learning &
Development
Tools

Data
and
Storage
Analytics

Results

The Best Talent

Lower Cost

Improved Diversity of
Talent

Improved Business
Outcomes

Measure, Communicate & Continually Improve



Executive Summary of Key Findings

- Performance Management Processes and Systems are viewed as solid; however, a need for a **performance strategy** that creates stronger **links** between performance, compensation, rewards and development is needed
- **Strategic Alignment** between the Human Capital strategies and the Business strategies is viewed as the largest opportunity for improvement
- **Talent Assessment** and **Learning and Development Tools** are also viewed as significant areas for improvement
- In total, **all 8 areas** of the Human Capital Optimization Framework displayed significant opportunities for improvement



Executive Summary of Key Findings

- The open-ended responses to the survey provided additional color commentary regarding the challenges, priorities and recent wins in the Human Capital Optimization space

☐ Challenges and Priorities*

1. Performance Management Improvements (PM)
2. HR becoming more Strategic about Talent Management (Alignment)
3. Gaining Executive Leadership Buy-in (Sponsorship)
4. Employee engagement, trust and retention (Culture)
5. Leadership assessment and development (Assessment and L&D)
6. HR Fundamentals – getting ‘the basics’ right (HR Capability)

*The challenges and priorities cited align with the first seven components of the Human Capital Optimization Framework



Human Capital Optimization Scorecard

All eight areas in the Framework show room for improvement. A recommended early step is to engage the Executive team around the development of an integrated and aligned Human Capital Optimization Strategy

Key Enablers

Leadership Engagement & Sponsorship

Supportive Culture

Human Capital Optimization Framework

Strategic Alignment

Performance Management Processes & Systems

HR Capability

Talent Assessment

Learning & Development Tools

Data & Storage Analytics

Organization Strength

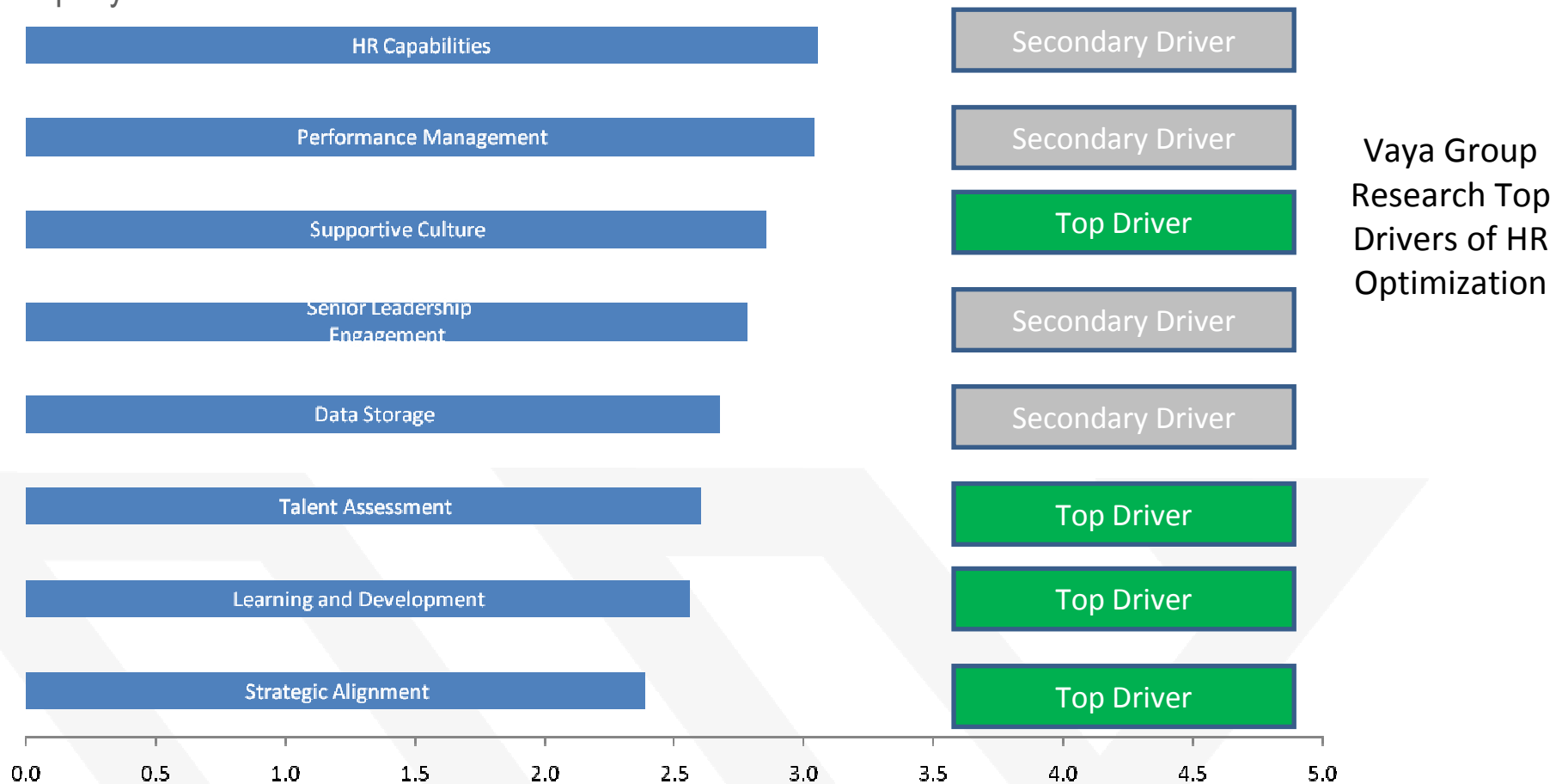
Development Opportunity

Clear Development Need



Components High to Low – Driver Analysis Comparison

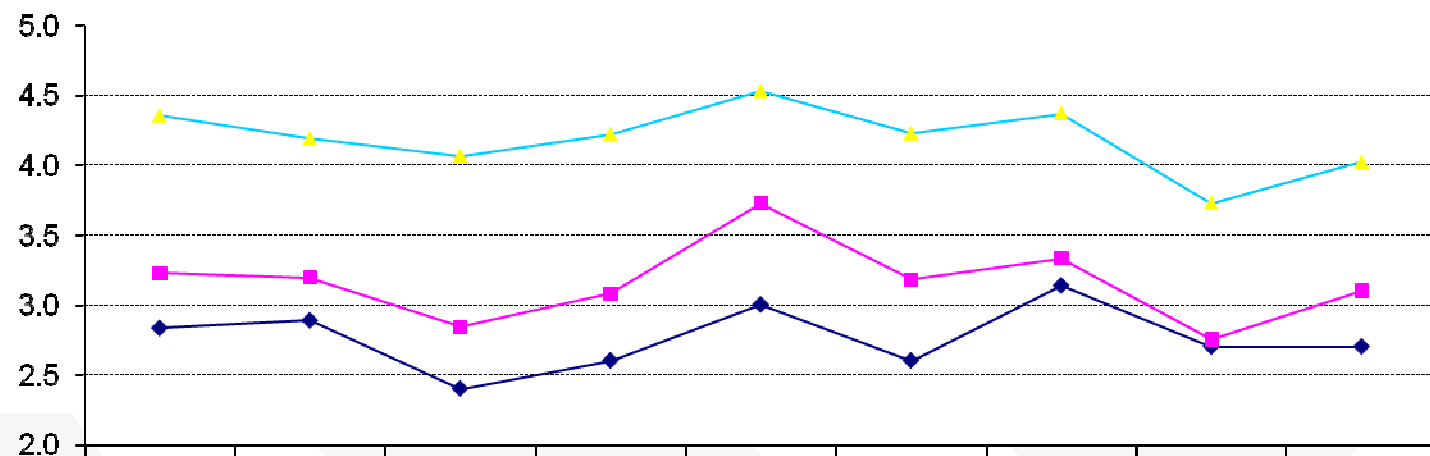
Vaya Group survey research has identified four of the eight components of the framework as the “Top Drivers” of HR Capital Optimization. Three of the top drivers align with the three lowest rated areas for ABC Company.





Top Quartile, Entire Database Norms and ABC Company

- ABC Company survey results fall well below the Vaya norm group of Fortune 1000 companies
- A multi-generation plan should be put in place to close gaps and move toward Best-in-Class status



	Senior Leadership	Supportive Culture	Strategic Alignment	Talent Assess.	Perf. Mgmt	Learning & Develop.	HR Capab.	Data Storage and Analytics	Results
ABC Company	2.8	2.9	2.4	2.6	3.0	2.6	3.1	2.7	2.7
External Norms	3.2	3.2	2.8	3.1	3.7	3.2	3.3	2.8	3.1
Best in Class Norms "Top Quartile"	4.4	4.2	4.1	4.2	4.5	4.2	4.4	3.7	4.0



Companies that Lead the Pack on the Human Capital Optimization Model

- Campbell Soup – Executive Sponsorship
- Cisco – Experiential learning and succession planning, sponsorship, L&D
- Northwestern Mutual Financial Network – Culture, Assessment, L&D
- General Electric – Executive Sponsorship, Performance Management and Learning and Development
- Hewlett Packard – Assessment and Data Analytics
- Unilever – Leadership Sponsorship, Culture, L&D (Rotations and action learning)



Top Rated Items – By Framework Category

Only two of the fifty-six survey items were scored at a positive level on the 5-point rating scale.

Performance Management Processes and Systems

There is a regular and consistent performance review process in place used throughout the organization that is easily understood, repeatable, reliable and measurable

3.5

Data Storage and Analytics

Employees have access to information relative to open positions within the organization for which they can apply

4.2

1 – Low 3 – Average 5 – High



Top Rated Items – By Framework Category

Additional items which scored above average.

Supportive Culture

Leaders visibly value diversity of talent backgrounds, styles and ideas

3.1

Employees recognize their personal development is a two-way street and take personal responsibility for working their plan

3.1

Performance Management Processes and Systems

The performance review process provides consistent and candid feedback to employees regarding performance results, behaviors and development needs

3.4

Human Resources Capabilities

Human Resources professionals are skilled coaches to senior leaders in the organization

3.3

Human Resources is a key architect throughout the entire employee lifecycle from attraction to on boarding through to management and development

3.2

Results- The Best Talent, Increased Diversity of Talent, Lower Cost, Improved Business Outcomes

The majority of leadership level positions are filled by internal job candidates

3.3

1 – Low 3 – Average 5 – High



Lowest Rated Items – by Framework Category

Strategic alignment of the HR strategy with the business strategy is a key lever to pursue.

Supportive Culture

The organization has established a positive brand for its leadership that serves as a competitive advantage in attracting and retaining top talent

2.5

Strategic Alignment

The talent strategy has clear measures in place that are regularly tracked and reviewed

2.3

The human capital vision and strategy clearly define the current and future (3 to 5 years) human capital needs of the organization and the - skills, initiatives and programs most critical to short- and long-term success

2.2

Talent management strategies account for market changes as well as the talent management strategies of competitors

2.2

Robust succession plans exist and are used to fill positions throughout the executive ranks

2.2

1 – Low 3 – Average 5 – High



Lowest Rated Items – by Framework Category

More rigorous Talent Assessment is indicated and greater alignment between assessment results and development programs and plans is warranted.

Talent Assessment

There is a formal process in place to consistently and fairly assess all incumbent leaders against competencies defined by the organization

2.5

Talent gaps are understood at the individual, team and organization level and measurable plans are in place to close the gaps

2.4

The organization uses external benchmarking and norm comparisons to calibrate quality of leadership talent

2.4

Learning and Development

Learning and development is easily available to all within the organization

2.5

Learning and development is aligned to the leadership competencies and key development gaps identified in the organization

2.5

Learning and development interventions allow for follow-up measure of the positive impact of the intervention

2.3

1 – Low 3 – Average 5 – High

Lowest Rated Items – by Framework Category

Data storage and data accessibility appear to be issues. Particularly weak is the analysis of HR data to guide decision making and strategy.

Data Storage and Analytics

A talent information management system is used to store talent information which is available to all managers and regularly updated	2.4
The organization tracks the percentage of high potentials who make upward career moves	2.4
The talent information management system connects the key elements relative to people (e.g., promotions, compensation, performance, leadership strength and development needs, technical competency, etc.)	2.1
The talent information management system is used regularly to make decisions about talent and overall organization people capability	2.1
Talent management data trends are analyzed and the data is used to improve upon talent management strategies for the business	1.9
ROI studies are conducted to assess the impact and leadership improvement associated with major leadership development initiatives	1.7
Analytical models are used for assessing the impact of human capital practices on organizational performance	1.7

Results - The Best Talent, Increased Diversity of Talent, Lower Cost, Improved Business Outcomes

Business units' results consistently surpass the market competitors over the last 12 months	2.4
Retention of high potential leaders has increased over the last 12 months	2.4
Diverse promotions have increased at the leadership level over the last 12 months	2.3

Component One: Senior Leadership Engagement and Sponsorship

- Greater engagement and visibility of Senior Leaders in Human Capital activities (assessment, development, coaching) is recommended.

Senior Leadership Engagement and Sponsorship

Mean

2.8

Standard Deviation

1.2

	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive	
	N	%	N	%
Senior leaders are actively and consistently engaged in assessing, developing and coaching employees and developing successors	28	56	14	28
Senior leaders regularly participate in talent reviews and move talent based upon business needs and personal aspirations of the talent	20	40	16	33
Senior leaders are held accountable for implementing human capital plans across their business in partnership with HR	25	50	14	30
Senior leaders actively participate in leadership development programs either by serving as teachers or attending sessions	26	52	15	31
Senior leaders communicate regularly and send consistent messages in support of talent management and leadership development initiatives	25	50	18	36



Component Two: Supportive Culture

- Overall the culture appears to adequately support Human Capital activities; actions to make ABC Company a feedback-rich environment would support an HR Capital Optimization culture.

Supportive Culture

Mean

2.9

Standard Deviation

1.0

	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive	
	N	%	N	%
Leaders visibly value diversity of talent backgrounds, styles and ideas	16	32	21	44
Employees recognize their personal development is a two-way street and take personal responsibility for working their plan	17	34	18	36
The culture supports openness, candor and transparency when discussing talent, providing feedback and recognizing talent	18	36	18	37
Learning, experimentation, seeking feedback and mentoring colleagues are all evident within the organization	26	52	13	26
There is a commitment to identifying, recognizing and sharing talent at all levels in the organization	22	44	17	34
The organization has established a positive brand for its leadership that serves as a competitive advantage in attracting and retaining top talent	29	58	14	28



Component Three: Strategic Alignment

- Strategic Alignment is an absolute primary area for action and improvement.
- The HR Function must become more strategic, and aligned to the emerging needs and challenges of the business.

Strategic Alignment

Mean

2.4

Standard Deviation

1.0

	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive		
	N	%	N	%	
There is a well-articulated talent management vision and strategy aligned with the business requirements/priorities	28	56	13	27	
The human capital vision and strategy clearly define the current and future (3 to 5 years) human capital needs of the organization and the - skills, initiatives and programs most critical to short- and long-term success	31	62	8	17	
Talent management strategies account for market changes as well as the talent management strategies of competitors	30	60	6	13	
The talent strategy has clear measures in place that are regularly tracked and reviewed	29	58	8	18	
Talent is segmented based on individual's potential, performance interests, mobility and diversity requirements	25	50	13	28	
Robust succession plans exist and are used to fill positions throughout the executive ranks	32	64	8	18	
The talent management strategy includes an understanding of the diverse talent within the organization and is used in filling internal positions	22	44	13	29	18



Component Four: Talent Assessment

- Leaders and managers must clearly understand the ABC Company leadership competency model and they need to be assessed against this competency profile.

Talent Assessment

Mean

2.6

Standard Deviation

1.1

	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive	
	N	%	N	%
There is a specific framework for leadership competency requirements linked to business requirements and articulated in behavioral terms	23	46	12	27
There is a formal process in place to consistently and fairly assess all incumbent leaders against competencies defined by the organization	26	52	10	23
Hiring and promotion decisions are based upon an objective evaluation of the candidates against the competencies in the framework	20	40	18	37
Talent gaps are understood at the individual, team and organization level and measurable plans are in place to close the gaps	22	44	7	15
The organization uses external benchmarking and norm comparisons to calibrate quality of leadership talent	21	42	8	20

Component Five: Performance Management Processes and Systems

- The cadence for performance receives high marks and may serve as a vehicle for improved assessment of competencies.
- Greater clarity and alignment between performance rating accuracy and reward mechanisms surfaces as an opportunity.

Performance Management Processes and Systems

Mean

3.0

Standard Deviation

1.1

	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive		
	N	%	N	%	
There is a regular and consistent performance review process in place used throughout the organization that is easily understood, repeatable, reliable and measurable	12	24	29	58	
The performance review process provides consistent and candid feedback to employees regarding performance results, behaviors and development needs	15	30	22	45	
Leaders and managers are held accountable for the ratings they provide in the performance review process (e.g., must justify them to others in calibration meetings)	25	50	17	35	
Candid discussions are held relative to employee career objectives and next steps/plans are in place to achieve these objectives	17	34	15	31	
Rating levels included in the talent review and performance appraisal processes are detailed and specific enough to ensure calibration across all users	19	38	19	41	
Rewards and compensation are directly tied to performance outcomes including expected behaviors	27	54	17	35	20



Component Six: Learning and Development

- Learning and Development activities and offerings must more directly link to assessment results, critical competency gaps; also, L&D needs to have metrics in place to gauge ROI of development efforts.
- Learning and Development access issues need to be explored.

Learning and Development				
Mean	2.6	Standard Deviation	1.1	
	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive	
	N	%	N	%
Learning and development is aligned to the leadership competencies and key development gaps identified in the organization	25	50	12	26
Learning and development is easily available to all within the organization	29	58	13	26
Leadership development and career advancement paths have been created for different levels of leadership potential as opposed to being solely focused on top talent	23	46	16	33
Learning and development makes use of multiple methods to accommodate diverse learning styles (e.g., job assignments, coaches, mentors, classroom training, etc.)	22	44	15	32
Learning and development interventions allow for follow-up measure of the positive impact of the intervention	26	52	7	16

Component Seven: Human Resources Capability

Greatest HR growth opportunities surface in areas of being:

- Strategic Architects of Human Capital initiatives
- Executive coaches to the business partners

Human Resources Capability

Mean

3.1

Standard Deviation

1.2

	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive	
	N	%	N	%
Human Resources professionals are seen as expert organization consultants relative to talent identification, development and cultural change	21	42	20	40
Human Resources professionals are skilled coaches to senior leaders in the organization	15	30	26	52
Human Resources professionals are expert talent assessors and provide career counseling to employees	17	34	17	35
Human Resources is a key architect throughout the entire employee lifecycle from attraction to on boarding through to management and development	18	36	22	44
Human Resources frequently assesses the cost effectiveness of talent management initiatives (e.g., assessment, learning and development, coaching, etc.)	21	42	15	34



Component Eight: Data Storage and Analytics

- Access to data regarding open positions is viewed very positively.
- Storage and application of Human Capital data for informed decision making is a gap area.

Data Storage and Analytics

Mean

2.7

Standard Deviation

1.1

	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive	
	N	%	N	%
Employees have access to information relative to open positions within the organization for which they can apply	3	6	40	80
Objective assessment data related to the key competencies driven by the organization is available on almost all leaders	17	34	11	28
A talent information management system is used to store talent information which is available to all managers and regularly updated	25	50	11	24
The talent information management system connects the key elements relative to people (e.g., promotions, compensation, performance, leadership strength and development needs, technical competency, etc.)	29	58	8	20
The talent information management system is used regularly to make decisions about talent and overall organization people capability	28	56	6	15



Component Eight: Data Storage and Analytics...cont

- A data analytics plan needs to be built. This plan must align with the Human Capital Strategy and provide clear metrics on outcomes achieved.

Data Storage and Analytics

Mean

2.7

Standard Deviation

1.1

	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive	
	N	%	N	%
Analytical models are used for assessing the impact of human capital practices on organizational performance	27	54	4	13
Talent management data trends are analyzed and the data is used to improve upon talent management strategies for the business	28	56	5	14
ROI studies are conducted to assess the impact and leadership improvement associated with major leadership development initiatives	22	44	3	11
The organization tracks time to fill leadership positions	17	34	12	33
The organization tracks the percentage of high potentials who make upward career moves	19	38	10	30



Component Nine: Results

- While improvements in diversity are highlighted in the open-ended comments, the increase of diverse promotions at the leadership level may be lagging
- Retention plans for high potential employees should be further studied.

Results				
Mean	2.7	Standard Deviation	0.9	
	Bottom 2 Box % rating item as negative		Top 2 Box % rating item as positive	
	N	%	N	%
Cultural measures have shown improvement over the last 12 months	18	36	13	33
The majority of leadership level positions are filled by internal job candidates	13	26	23	50
Diverse promotions have increased at the leadership level over the last 12 months	28	56	9	21
Retention of high potential leaders has increased over the last 12 months	21	42	7	19
Business units' results consistently surpass the market competitors over the last 12 months	21	42	8	22
Employee survey results display improvement in the areas of engagement, performance feedback and development	16	32	20	41



Next Steps

1. Define the Human Capital Strategy so that it **Aligns** with the Business Strategy and clearly links Talent capabilities with what the business needs for growth and sustainability, at the:
 1. Individual Level
 2. Team Level
 3. Organizational level
2. Invite Executive Engagement – **this is not an HR Solo Act**
3. Leverage the HCOF Survey results to make the case for Human Capital action and investment – **must do actions versus nice to do**
4. Focused and specific actions on the biggest gaps:
 1. **Strategic alignment** of Performance Management to Goals/Metrics/Rewards
 2. Assessment of Talent – **what are our competency gaps?**
 3. Development of Talent – **how will we close the gaps?**



Backup



Gaps by Tenure

- Newer employees displayed the lowest ratings
- 6 – 10 year employees were the most positive

Average Scores by Tenure Group	Total	1-2 years (n=15)	3-5 years (n=13)	6-10 years (n=8)	11+years (n=12)
Senior Leadership Engagement and Sponsorship	2.8	2.3	2.8	3.4	2.9
Supportive Culture	2.9	2.7	2.8	3.5	2.8
Strategic Alignment	2.4	2.2	2.4	2.8	2.5
Talent Assessment	2.6	2.3	2.7	2.9	2.7
Performance Management Processes and Systems	3.0	2.5	3.4	3.6	2.9
Learning and Development	2.6	2.6	2.3	3.1	2.5
Human Resources Capabilities	3.1	2.7	3.5	3.4	2.8
Data Storage and Analytics	2.7	2.4	3.0	3.2	2.3
Results	2.7	2.5	2.9	3.0	2.7

1 – Low 3 – Average 5 – High

Gaps by Business Leader versus Human Resources

- Based on job titles, Vaya Group placed the survey respondents into 1 of 2 categories (Executives or HR). One individual did not provide a job title. Overall, the Executive group tended to be more positive on a number of items.

	Executives (n=18)	HR (n= 31)	Difference
The organization has established a positive brand for its leadership that serves as a competitive advantage in attracting and retaining top talent	3.3	2.1	1.2
There is a formal process in place to consistently and fairly assess all incumbent leaders against competencies defined by the organization	3.1	2.1	0.9
Talent gaps are understood at the individual, team and organization level and measurable plans are in place to close the gaps	3.0	2.1	0.9
Robust succession plans exist and are used to fill positions throughout the executive ranks	2.6	1.9	0.8
Candid discussions are held relative to employee career objectives and next steps/plans are in place to achieve these objectives	3.4	2.7	0.8

1 – Low 3 – Average 5 – High



Gaps by Business Leader versus Human Resources ...cont

	Executives (n=18)	HR (n= 31)	Difference
There is a well-articulated talent management vision and strategy aligned with the business requirements/priorities	3.0	2.3	0.7
The talent information management system is used regularly to make decisions about talent and overall organization people capability	2.5	1.8	0.7
Leadership development and career advancement paths have been created for different levels of leadership potential as opposed to being solely focused on top talent	3.1	2.4	0.7
Rewards and compensation are directly tied to performance outcomes including expected behaviors	3.1	2.4	0.7
Senior leaders actively participate in leadership development programs either by serving as teachers or attending sessions	3.2	2.5	0.7

1 – Low 3 – Average 5 – High



Summary of Open Ended Comments

What are the most significant challenges you face in the area of Human Capital Management within your organization?

- Retention - identifying, developing, motivating and engaging talent
 - ☐ Retaining top talent
 - ☐ Developing succession plans
 - ☐ Understanding what skills they need to look for
 - ☐ Filling key positions
- Being strategic about HR
 - ☐ Invest in HR
 - ☐ Reactive versus proactive – need clear philosophy about developing people
 - ☐ Changing the way HR works
 - ☐ Undervalued
- Leadership buy in
 - ☐ Commitment to a more strategic approach to talent
 - ☐ Less relationship and emotional connection about talent
 - ☐ Knowing how to development talent
 - ☐ Taking responsibility for people not delegating to HR
 - ☐ Understanding the value HR can bring



Summary of Open Ended Comments...cont

What are the most significant challenges you face in the area of Human Capital Management within your organization? ...cont

- Engagement/Morale
 - ☐ Reduction in force impacted morale
 - ☐ Reputation in the market
 - ☐ Establishing trust between management and employees
- Leadership development
 - ☐ Knowing how to develop talent
 - ☐ Need to develop leadership skills in middle managers
 - ☐ Resources devoted to development



Summary of Open Ended Comments...cont

What do you believe should be your organization's top three HR Management priorities for the next 12 months?

- Performance Management

- ☐ Improving process and skills and overall quality in this area
- ☐ Making it a daily activity
- ☐ Clear goal setting process
- ☐ Improve leadership accountability
- ☐ Effective roll out of the new system

- HR fundamentals getting basics right

- ☐ Improving data and analytic processes
- ☐ Improved systems and technology to automate low value add work
- ☐ Compensation strategy – linking competencies and skills to promotions – having consistent approach. Ensure retention
- ☐ Consistent title and job categories world wide



Summary of Open Ended Comments...cont

What do you believe should be your organization's top three HR Management priorities for the next 12 months?...cont

- Talent management

- ☐ Retaining high potentials
- ☐ Successions planning
- ☐ Development planning
- ☐ Recognition of top performers
- ☐ Increased communication
- ☐ Clear Talent strategy

- Leadership development

- ☐ Leadership assessment capability
- ☐ Training leader on how to manage people
- ☐ Reinstating leadership programs
- ☐ Coaching and mentoring

- Retention initiatives

- ☐ Compensation strategy – salary benchmarking
- ☐ Increase morale and trust with management – re-energizing the workforce
- ☐ Finding ways to reward and recognize employees



Summary of Open Ended Comments...cont

Please describe 1-2 HR Management Practices that you are most proud of with your current company.

- The ABC Company Foundation's work
 - ☐ Communications mentoring and giving back
 - ☐ Springboard
 - ☐ Leadership training
- Push towards diversity
- Alignment of HR with Sr. Leaders and Managers
- Performance Management Systems
- Ethics standards
- HR makes a sincere effort to help – ability to sit down with HR to seek a point of view
- Reputation in the market place
- HR team works well together