

Ten Actions Leaders Must Take to Drive Organizational Performance



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1. Introduction

Whether you're leading a public sector organization, Fortune 500 company, new business venture, or special project, success rises and falls on the effectiveness of your workforce—your human capital. More and more, employers are realizing that people are the key differentiator and primary driver of success. Having sound human capital management policies and practices in place based on a good strategic foundation is a critical asset in enabling your organization to achieve its goals. But it takes more than just lip service. Below is a list of 10 concrete actions you can and should take to engage employees and get them working toward common goals. What is Strategic Human Capital Management?

2. Action 1—Establish a Strategic Foundation

The first step is to establish a strategic plan—the stable foundation upon which all other activities are built. A comprehensive and actionable strategic plan is developed by a representative group of stakeholders, thoroughly communicated, and regularly referenced. It includes these elements:

- **Mission:** Why the organization exists
- **Values:** What the organization believes in
- **Goals:** What the organization wants to achieve
- **Strategic Objectives:** The organization's tactical approach

The strategic plan should drive everything you and your employees do—it establishes direction, parameters, and measures of success. If an activity or project doesn't align with the strategic plan, don't waste time doing it. If you find yourself doing a lot of things that don't align, maybe it's time to revisit the strategic plan. The strategic plan is core, a critical first step to get all employees headed in the same direction. Develop it, live it, believe it— don't try to lead without it.

3. Action 2—Foster Confidence through Communication

Employee confidence in your management team's ability to lead the organization to success strongly influences employee commitment and drive. There's no better way to foster confidence than through consistent, open, honest, regular, and timely communication. When your employees understand the strategic plan, receive consistent messages regarding organizational values and goals, and know the issues driving management actions, they will trust, commit to, and work for you rather than against you. Develop a communications strategy that mobilizes management at all levels, provides communications tools, and establishes roles and accountability.

4. Action 3—Document Responsibilities

Once employees understand the elements of the strategic foundation, they will want to know how they can contribute on a daily basis. Documented position responsibilities and decision authorities can provide that link. But standardized job descriptions that establish salary levels are not enough. Defining and documenting responsibilities are critical building blocks to strategic human capital management because nearly every other people-related activity gleans information from them, including employee recruitment and selection, performance management, training and development, and workforce planning. If you haven't determined and organized the work that needs to be done and documented position responsibilities for it, you don't have a strategically aligned workforce and you can't support your strategic plan with your human capital practices.

5. Action 4—Define Competencies

Competencies are the knowledge, skills, abilities, personal characteristics, and other factors that help distinguish superior performance from average performance under specified circumstances. In other words, competencies are

the internal capabilities that people bring to their jobs. Examples include:

- Knowledge—bodies of information such as project management, software acquisition, or organizational development
- Skills—proficiency or expertise
- Abilities—capability to perform
- Personal characteristics—such as decisiveness, attention to detail, and willingness to take risks
- Other individual factors, including life experiences

Once you've determined the work that needs to be done and documented position responsibilities, defining competencies will determine what it takes to be successful. For like positions, you can define job-specific competencies such as cost estimating, enterprise architecture, quantitative risk analysis, solicitation planning, or team development. The core competencies will be common to every position within your organization, regardless of technical specialty or hierarchical position, and may include things such as stress tolerance, customer focus, and adaptability.

6. Action 5—Strategically Recruit and Select

Use your defined position responsibilities and competencies as baseline criteria to recruit and select new talent. Turnover is inevitable and can be very costly if not well managed. But turnover can also be advantageous when you know exactly what skills sets new employees need to possess and behaviors they need to exhibit. A well planned approach to align recruitment and selection with your strategic plan will go a long way toward eliminating mission-critical skill gaps or deficiencies.

7. Action 6—Set Expectations

Set employee performance expectations and hold employees accountable. Expectations can be communicated via written objective statements that describe what needs to be performed and how well. These objective statements should be developed collaboratively with employees

whenever possible and communicated during the first month on the job and during every performance discussion.

8. Action 7—Continuously Manage Performance

If performance expectations are established and regularly discussed, managing and appraising performance will be much easier. Performance management is an ongoing responsibility for those in managerial roles, not a once-a-year event. Frequently discuss individual employee performance in a one-on-one setting. This provides the opportunity to recognize contributions and fix problems before they're too difficult. Taking time to discuss performance with an employee demonstrates your personal interest in his or her job success. If an employee is performing well or needs improvement, it shouldn't come as a surprise during the annual review—the annual review should summarize all the "mini" performance discussions you've had during the year.

9. Action 8—Provide Opportunity

Employee development is almost universally recognized as a strategic tool for an organization's continuing growth, productivity, and ability to retain valuable employees— especially in a knowledge economy. In today's employment market, workers expect and demand more as they change jobs and even careers throughout their lifetimes. More than ever, employees are likely to be loyal to an organization that shows a personal interest in their career development. Foster this loyalty by ensuring that every employee has an annual individual development plan in place. Make sure they know how those plans relate to career growth and align with the organization's strategic plan. Develop them collaboratively, pledge your support, include them in your performance management process, and tie them to salary bumps and promotions.

10. Action 9—Recognize Contributions

More than anything—including salary employees want full appreciation for work performed. Reward exemplary accomplishment and behavior. Tie that recognition to your strategic objectives and you'll not only have happy, engaged employees, you'll also be motivating your workforce to align and focus on its ultimate goals. Recognition can be given in many forms, including monetary bonuses; time off; awards with the organization's name, seal, or other mission-related inscription; theater tickets; merchandise; or letters of appreciation. The bottom line is that recognition doesn't have to be expensive—a public "thank you" goes a long way.

11. Action 10—Solicit Feedback

Achieving your strategic objectives requires a skilled, informed, focused, and engaged workforce that knows exactly where the organization is going and how it plans to get there. Unsure whether you've got that workforce? Just ask. Take a periodic pulse of your employees' attitudes, motivations, and concerns and analyze them against what you're trying to achieve. Online surveys, focus groups, town halls... there are many ways to get employee input. Just keep the communication loop going. The data you receive will be invaluable in reducing weaknesses and leveraging strengths. And just by asking and responding, you'll send a strong message to your workforce about your commitment, expectations, and priorities.

Taking a strategic approach to human capital management ultimately produces better results—whether they're for your bottom line or delivering on your mission. Lay a solid strategic foundation first, and then align your human capital practices with the vision, values, and goals you've established. Ensure every activity from that point on is driving your mission and take periodic pulses to help you stay on track. A solid planning effort up front and well-focused execution will go a long way in establishing a framework for a results-driven, higher performing organization.