

HR creating high business VALUE

Flexso event, MAS Antwerp, September 2016

Why HR Transformation initiatives often do not create expected business value ??

Key perceived issues

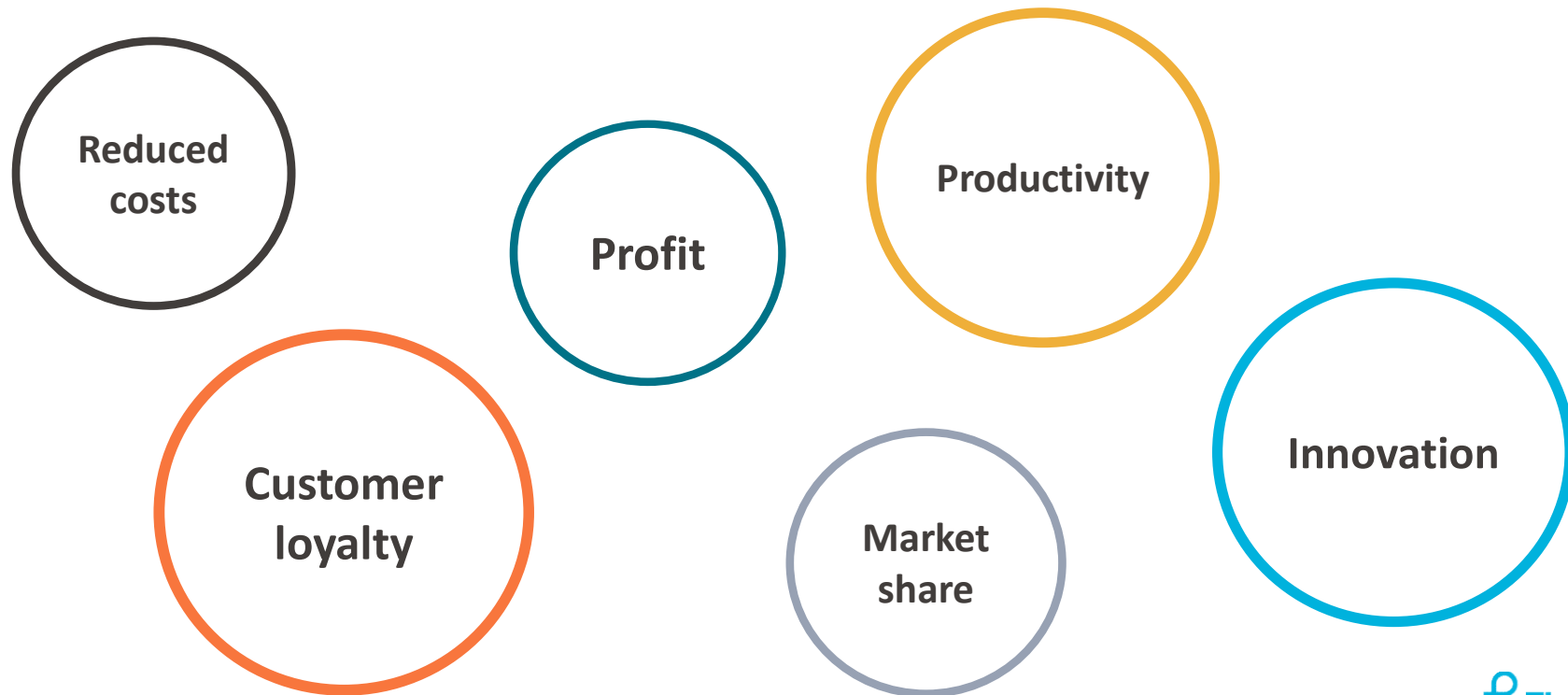


2 key ingredients to ensure business value

right metrics
&
great connections

Let's have a deeper look into what this means...

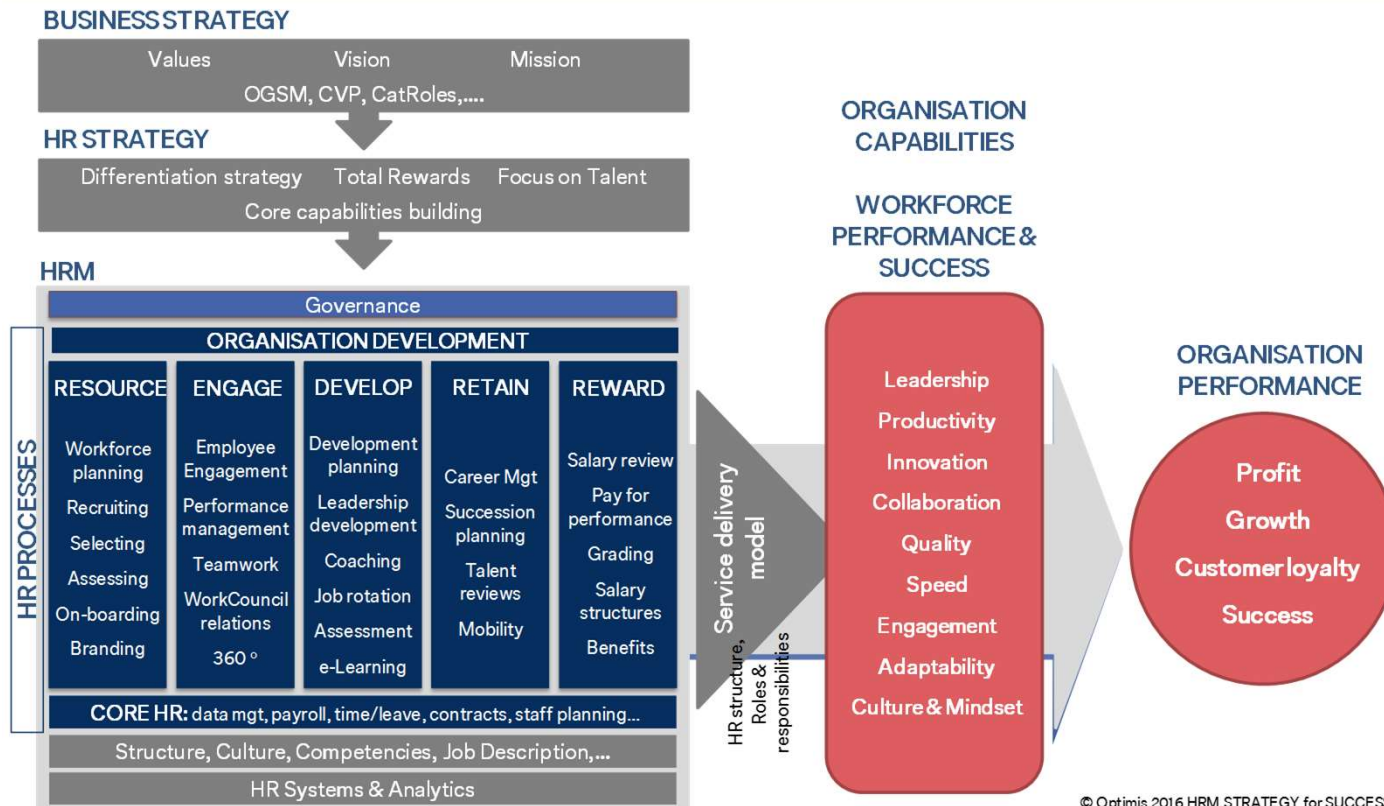
What do we mean by BUSINESS VALUE?



What do senior managers REALLY care about regarding their Human Capital?

- Do we attract and hire the very best people we can afford?
- Do we retain our key/most productive people at a higher rate than our best competitors?
- What is the cost of absenteeism and how does it evolve?
- What are the main drivers of absenteeism and how do we tackle them?
- Are the people we have the most productive in the industry?
- Do we develop the capabilities we need the future?
- Are our employees satisfied/engaged and does this impact productivity and retention?
- Is our HR department efficient and does it continually improve?
- ...

Human Capital Value Chain



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Do we measure and focus on the right HR Value proposition?

Human Capital Objectives



Highest-Frequency HC Measures

(Conference Board, 2010)

Turnover (96%)
Voluntary Resignation (84%)
Average Compensation (82%)
Average Workforce Age (77%)
Diversity (76%)
Compensation/Total Cost (76%)
Average Seniority (75%)
Work accident frequency (74%)
Percent with variable compensation (71%)
Percent with stock options (71%)

Today, analytics make the Difference

Top-performing companies are

3x more likely

than low performers to be users of analytics

Source: "Analytics: The New Path to Value", Massachusetts Institute of Technology, October 2010.



Example: Google move to Data-based People Mgt.

All people decisions at Google
are based on data & analytics!



Example: *Workplace design driving Innovation*

Example: Recognition as driver of change at Sidel

Sidel achieved a 20% improvement in the “Attitude towards change” index for this population in 2 years



Variance explained = 45.6%

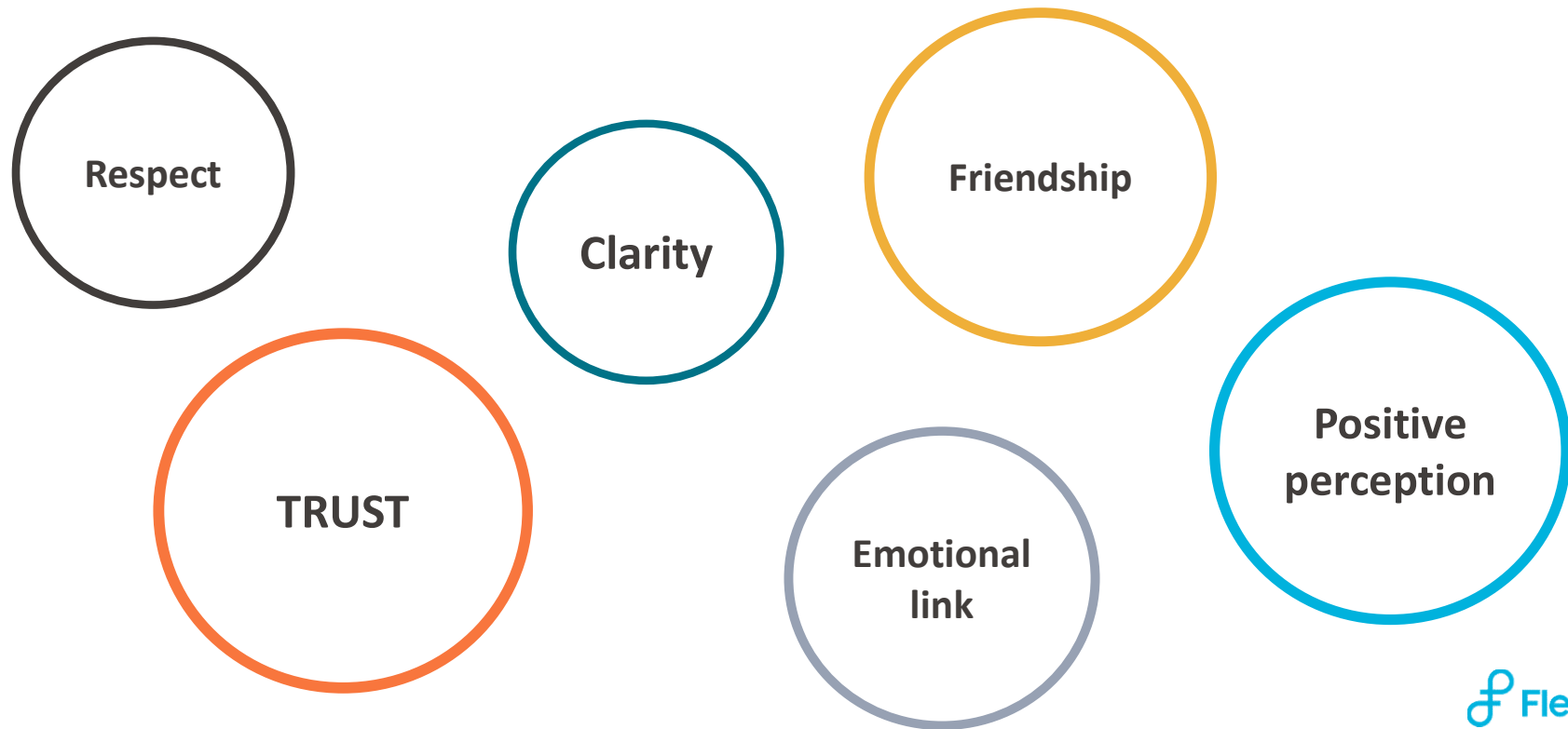
***“Not everything that counts can be counted,
and not everything that can be counted, counts”***

William Bryce Cameron, *Informal Sociology: A Casual Introduction to Sociological Thinking*, 1963, p. 13.

***“HR measurement is valuable to the extent it
improves vital decisions about talent and how it
is organized”***



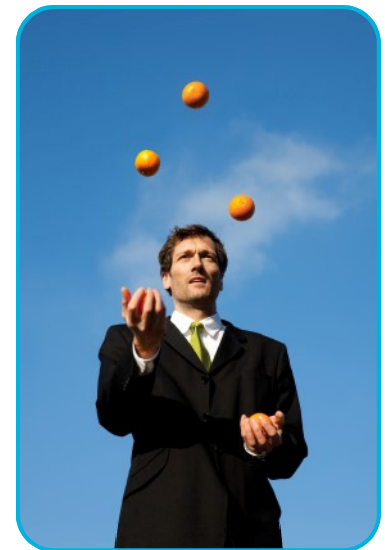
What does CONNECTION create



In summary...

Must DO about metrics

1. Metrics must respond to key business challenges / questions
2. Metrics must be segmented by talent groups
3. Include qualitative analysis where ever possible
4. Story telling when distributing metrics to Management
5. Integrate business data in your analysis



“Develop and communicate 3 key metrics for every Human Capital challenges you face → monitor your mission!!”

“Spend ¼ of your time with the people establishing connections, speak about the business and help them understand how talent practices contribute to their success”



