Introduction

• Evolution & Challenges of the HR Industry
• Strategic Talent Management
• 5 Step Framework for Talent Management
• Completing Step 1
What’s been happening in the HR world over the years?

Evolution of the HR Function

- **Business Function**
  - Payroll
  - Time and Attendance

- **Business Partner**
  - Application Tracking
  - HR Portal
  - Siloed

- **Strategic Partner**
  - Integrated
  - Talent Management
Strategic Talent Management: A Journey

- Business Goals
- Strategic
- Tactical
- Recruitment
- Learning & Development
- Workforce Planning
- Performance Management
- Rewards & Compensation
- Succession & Career Progression

Strategic Talent Management Journey

1. **Business Goals**
2. **Strategic**
3. **Tactical**
4. **Recruitment**
5. **Workforce Planning**
6. **Performance Management**
7. **Rewards & Compensation**
8. **Succession & Career Progression**
9. **Learning & Development**
Why is Strategic Talent Management Important?

Statistical Case for Talent Management

1. 40% of organizations estimate a bad hire costs in excess of $25,000
2. 46% of new hires fail completely within their first 18 months
3. Cost of an open vacancy can run at approximately $12,000 a day per senior role
4. Strong onboarding translates to > 90% retention. Poor onboarding translates to 30% retention.
5. Strong employee engagement means 37% less absenteeism, 25% less turnover and 21% higher productivity and 147% higher earning per share.

Sources: Forbes, Bersin, Gallup, Careerbuilder
Why is Strategic Talent Management Important? (Continued)

Some examples

1. An organization with 10,000 people and 12% turnover incurs costs of over **$13m per 18 months** in bad hire costs (i.e. 1,200 roles/annum, 46% fail or 552 roles, $15k per bad hire)

2. In the same organisation, **reducing turnover by 25% equates to $11m** in savings (ie reduce by 300 roles, assume 10% senior and open for 30 days @ $12k/day)
Reported Challenges by HR Professionals

1. 80% cited **Cost and Budget**
2. Management Buy-In
3. Lack of HR Tech Strategy
4. Silos of information

⭐ Not speaking the language of the CFO/Finance Director
A 5 Step Framework for moving forward with talent management

**Step 1: Start with the end in mind**
Build the story and the strategic business case.

**Step 2: Identify Stakeholders - Get Early Buy In**

**Step 3: Get Close to the CFO/Finance Director**
“Speak their language!”

**Step 4: Build on the plan:**
Note: 3 Parts-
- Part 1- Get to the centralized data
- Part 2- Implement improvement initiatives
- Part 3- Rinse and Repeat
A 5 Step Framework for moving forward with talent management

Step 5: Execute/Evaluate/Reflect/Improve/Roll-On

“Journey not destination”

“Tough and Long”

“Likely to be the most significant project you will be involved with in your organization.”

“Once in a generation shift”
Completing Step 1

**Step 1: Start with the end in mind**

Build the story and the strategic business case.

**Principle:** “If you can’t measure it - you can’t manage or improve it!”

**Waiver:** “What are the metrics that drive your Strategic Talent Management business case?”
Starting the Journey

Using Talent Analytics to build a case for **strategic HR**

Edgar Kautzner - Director, Global Talent Analytics
Don’t let Talent Analytics get left behind.

Similarities between Talent Management and Supply Chain Management?

<table>
<thead>
<tr>
<th>Supply Chain Management</th>
<th>Talent Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecasting Product Demand</td>
<td>Forecasting Talent Needs</td>
</tr>
<tr>
<td>Estimating the cheapest, fastest ways to make products</td>
<td>Developing Talent</td>
</tr>
<tr>
<td>Deciding which aspects of the process to outsource</td>
<td>External Hiring</td>
</tr>
<tr>
<td>Ensuring timely delivery</td>
<td>Planning for succession</td>
</tr>
</tbody>
</table>

- There is tremendous potential to achieve a significant ROI through better understanding your talent.
- Don’t allow for analysis to be restricted to student, financial and research output data.

Sources:
Harvard Business Review, 2010
The Talent Analytics Maturity Model

Identify where you are and where you want to be

Level 1: Operational Reporting
- Reactive, Operational Reporting of Efficiency and Compliance Measures
- Focus on Data Accuracy, Consistency, and Timeliness
- 56%

Level 2: Advanced Reporting
- Proactive, Operational Reporting for Benchmarking and Decision-Making
- Multidimensional Analysis and Dashboards
- 30%

Level 3: Advanced Analytics
- Statistical Modeling and Root-Cause Analysis to Solve Business Problems
- Proactively Identify Issues and Recommend Actionable Solutions
- 10%

Level 4: Predictive Analytics
- Development of Predictive Models, Scenario Planning
- Risk Analysis and Mitigation, Integration with Strategic Planning
- 4%

Sources: Bersin by Deloitte, 2013
Level 1: Operational Reporting

• Answers the question: What should I do now?

• Reactive, operational reporting for compliance and efficiency

• Benefits and outcomes
  • Ease of responding to information requests
  • Standard tools and reports
  • Accurate, consistent and timely data
  • An understanding of the data available for analysis

Sources: Bersin by Deloitte, 2013
Level 2: Advanced Reporting

- Retrospective analysis: What have we done? Why?
- Less reactive – operational reporting for benchmarking and decision-making
- Benefits and outcomes
  - Convenient access to metrics and reports
  - Customisable business dashboards
  - Understanding of how you are tracking over time and benchmarking against plan / industry

Sources: Bersin by Deloitte, 2013
Level 3: Advanced Analytics

- A more scientific approach to advanced reporting
- Proactively identify issues and recommend solutions

Benefits and outcomes
- Breakthrough findings
- Actionable solutions to business problems
- Integration of data and staffing resources
- Creation of culture of data-driven decision-making

Sources: Bersin by Deloitte, 2013
Level 4: Predictive Analytics

• Answers the question: “Where will / could we be?”

• Prediction of future scenarios

• Benefits and outcomes
  • Develop models to predict talent outcomes – achieve ROI through less trial and error
  • Models that describe how performance can be improved
  • Alignment of workforce and business planning

Sources: Bersin by Deloitte, 2013
Performance Score Distribution: All Staff

- 0 - 0.5
- 0.5 - 1
- 1 - 1.5
- 1.5 - 2
- 2 - 2.5
- 2.5 - 3
- 3 - 3.5
- 3.5 - 4
- 4 - 4.5
- 4.5 - 5

All Staff
Performance Score Distribution: Key Staff
Talent Health Check by Faculty

- Arts: High satisfaction and promoter score
- Design: High satisfaction and promoter score
- Engineering: Average satisfaction but lower promoter score
- IT: Average satisfaction and promoter score
- Law: Average satisfaction and promoter score
- Medicine: Average satisfaction and promoter score
- Science: Average satisfaction and promoter score

Legend:
- Blue: Average Satisfaction Rating
- Orange: Average Net Promoter Score
Turnover Risk

- Key Jobs
- Senior Leadership
- Top Performers
- Top Performers in Key Jobs
- Top Potentials

Turnover Risk
When building your business case:

• Don’t delay starting the business case because:
  • You don’t know what analytics to start looking at
  • There is a lack of organisational interest / buy-in
  • Your data is not perfect

• Avoid focusing on:
  • Lower level employees
  • Aspects that are easier to quantify

• Ensure that you present a business case that is well aligned with current organisational priorities

Sources: Harvard Business Review, 2010
Yellowfin, 2013
Focus on where you want to be

Don’t lose sight of your goals!

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Sources: Bersin by Deloitte, 2013
“4% of companies have achieved the capability to perform predictive analytics about their workforce.”

Do it and...

“Stock market returns are 30% higher, leadership pipelines are 2.5X healthier 4 x more likely to gain respect of your business counterparts”

*Forbes, Big Data In HR, 2013*
Thank you
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