Built to Grow

Leadership Metrics & Strategies to Turn Your HR Department into an Engine for Growth

VALERIE M. GRUBB
VAL GRUBB & ASSOCIATES LTD.
vgrubb@valgrubbandassociates.com
Ask a Question

Up-Vote a Question

Respond to Polls when they appear
Built to Grow

Three Drivers:

1. What core business competencies must HR leaders possess in order to be credible strategic partners?

2. What value (including monetary) does the HR department bring to the organization?

3. What value does the HR department generate for the customer?
Four “foundational roles” marking a true *partner* to your executive team:

1. Strategic Leader
2. Administrative Expert
3. Employee Champion
4. Change Agent
Poll: In one or two words, what does it mean to be a *strategic* leader?
Built to Grow

Strategic Leader

1. Understand business strategy including trade-offs on people skills vs. equipment efficiencies.
2. Possess deep-seeded understanding of how the organization operates;
3. Pro-actively examine the business, departments and people to increase effectiveness.
4. Partner with senior leaders for future growth and expansion.
Potential strategic HR metrics:

- Turnover that matters
- Organizational effectiveness:
  1. Revenue/# of FTEs
  2. Revenue – (operating expense – [comp cost + bennies])/# of FTEs
- Compensation:
  1. Compensation cost/revenue
  2. Compensation cost/operation expense
- Sales revenue ratios
Where are you now?

Strategic Partner

1. Where are you in terms of understanding your business, including how your company makes and loses money?

2. Can you connect your people to financial performance?

3. Are you keeping up with where your industry is going?

4. Are you in the know with technological advances?
Built to Grow

Administrative Expert

1. Design organizational structures and processes that support the business strategy.
2. Review productivity for competitive advantage.
3. Attract and retain talent.
4. Bridge the skilled labor gap.
5. A Master/Mistress of delegation.
6. Actively manage your outside vendors.
7. Ensure customer needs are being exceeded.
Where are you now?

Administrative Expert

1. How do you jettison the mundane so you can focus on strategic objectives?
2. Do your employees think the HR department helps or hinders progress?
3. Are you leveraging all you can out of your vendors?
4. How are you helping to ensure customer needs are met?
Employee Champion *with a Business-Focus*

1. Actively work to improve employee engagement.
2. Ensure that the right employees are developing the right skills.
3. Understand and put into practice succession planning.
4. Find creative ways to move our unproductive employees.
5. Help to create a positive culture and employees filled with purpose.
Built to Grow

Employee Champion *with a Business-Focus*

6. Enable a working environment where sharing knowledge and expertise is standard practice.
7. Identify key metrics for HR to measure people performance.
Where are you now?

Employee Champion *with a Business Focus*

1. Do senior leaders involve you in discussions about your company’s future people needs?
2. Do you have a written succession plan for senior leaders and middle managers within your company?
3. What are your future challenges and are you increasing the skills of existing employees to meet those challenges?
Built to Grow

Change Agent

1. Understand that change is vital to an organization’s ability to compete.
2. Involved in creating, developing and leading change.
3. Ensure that senior leaders excel at communicating change to support internal sustainability.
Change Agent

1. Do you lead or follow change?
2. Are you part of the solution or part of the problem?
Where to *start* when trying to increase HR’s strategic contribution to the organization...
Low Hanging Fruit

• Recognize YOU are judged by your staff.
• Better/quicker hiring across the company.
• Figure out the retention puzzle.
• Identify what future skills are needed and create training programs around meeting the gap.
• Catalog the talents of your employees for internal consulting.
• Mine the market intelligence of your employees and apply to your products or services.
Low Hanging Fruit

Cut Waste

Apply Six Sigma methodology.

~ Reduce the # of touch points in a process ~
~ Reduce the travel distance between processes ~
~ Reduce the energy usage ~
Low Hanging Fruit

That includes reducing any HR policies or procedures that are in place “just because.”

If it does not directly tie to the profitability of the company or to the needs of customers, you need to ask if it is necessary.
Low Hanging Fruit

Kill time wasters – both internal and external:

- Telephone interruptions
- Unscheduled visitors
- Excessive socializing
- Lack of information
- Excessive paperwork/red tape
- Lack of policies and procedures
- Lack of competent personnel
- Communication breakdowns
12 ideas for creating an HR Department designed to help the organization grow and generate revenue!
Built to Grow

Idea #1: Give priority to the needs of revenue-generating business units, jobs and employees
Idea #2: Retain/develop revenue producers
Idea #3: Hire people who understand revenue generation/cost containment
Idea #4: Targeted recruiting from competitors
Idea #5: Roll-out financial training
Idea #6: Identify barriers & opportunities to productivity and future growth
Built to Grow

Idea #7: Create a fast-reaction team in HR
Idea #8: Focus development and succession planning on revenue-related competencies
Idea #9: Deploy proactive internal movement to teach employees the full business model
Idea #10: Implement revenue-impacting metrics and rewards
Idea #11: Release poor performers quickly
Idea #12: Review your onboarding process
Built to Grow

Where to start:

1. Do what you have to do to get out of the transaction basis.
2. Learn the business, starting with sales/customer-facing departments.
3. Learn the Big 3 financial statements.
4. Partner with Finance to tie expense and revenue to people, products and sales.
Built to Grow

Next (longer term)

1. Partner with the revenue generating departments and find out their strengths, their challenges and what can you do to help them increase revenue.
2. Partner with the C-Suite to discuss company strategy and future goals and objectives.
3. Conduct gap analysis on your culture and create the business case for why a culture change is necessary.
HR’s Contribution

HR Goal = Impact revenue

• Make it a part of HR’s execution plan including your own performance evaluations.
• Reinforce financial impact by adding revenue generation to the reward and metric structure.
• Focus and concentrate your current HR budget and your best HR people on the business units, the jobs, and the employees that have the most impact on increasing revenue.
Continuing your learning:

- *Financial Intelligence: A Manager’s Guide to Knowing What the Numbers Really Mean*, Karen Berman and Joe Knight

Thank you!

- To receive a copy of these slides, leave me your business card.
- I’ll also be doing a random drawing for 3 signed copies of my book.

FINAL QUESTIONS?