

## INDUSTRY REPORT REVIEW

### PLOT YOUR STRATEGY: A BRIEF REVIEW OF THE GLOBAL HUMAN CAPITAL TRENDS FOR 2014

Each year Deloitte conducts a large scale, comprehensive survey in order to gather information and insights into global human capital trends for the coming year. This year's survey included 2,532 leaders across 94 countries. This is one of the largest talent management surveys of its kind.

Survey results paint a clear picture of the challenges and opportunities organizations face in cultivating the talent needed to grow. It is clear from their findings that leaders are recognizing the value and importance that human capital and growth of talent play in remaining competitive and meeting the challenges of a global marketplace. However, particularly noteworthy is the fact that leaders do not feel ready to address these trends. According to the report, 36 percent of respondents reported that they were not ready.

Listed below, directly from the report, are the Top 10 Global Human Capital Trends listed for 2014.

#### Deloitte's Top 10 Global Human Capital Trends 2014:

1. Leadership, retention, HR skills, and talent acquisition are the top global trends in perceived urgency
2. Companies report general low levels of readiness to respond to the trends

3. The largest capability gaps are reported in leadership, analytics, re-skilling HR, talent acquisition and access, and the overwhelmed employee
4. Leadership is the top priority in developed and growing economies
5. While global trends are similar around the world, program needs vary by region
6. Human capital priorities vary by industry with one exception: leadership
7. HR and talent executives grade themselves a C-minus for overall performance
8. "Excellent" HR companies and teams focus more intensely on the urgent global human capital trends
9. Business leaders have less confidence in their organization's readiness to deal with futile trends than HR leaders
10. Companies worldwide plan modest increase in talent and HR investments in 2014

The full report can be viewed on the Deloitte's website.

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stakeholders communicating the advantages of the shift, while acknowledging and mitigating the loss that is felt by local vendors who are displaced by national vendors.

Doris leverages executive team building to develop new channels of communication and to clarify how the team supports each other in decision making. With new reporting relationships, it is essential that the team has to find balance in collaboration and advocacy for individual functions. The team has to support important infrastructure projects that do not have short term benefit. Even scheduling meetings is a new challenge, as many of the team members have both local and national assignments.

Some executives embrace the new role, others are overwhelmed and most are somewhere in between. As talent management professionals, we have an opportunity to help our leaders slow down, identify their strengths and set their agendas to create a compelling communication platform that balances and integrates the work streams and goals.



### WHAT'S NEW?

- O.E. Strategies celebrates 15 years!
- We would like to thank our clients for helping us achieve this exciting milestone. Look for more information to come on how we plan on celebrating with you! Thanks for your continued support!
- Suzanne Miklos is now a Goldman Sachs 10,000 Small Business graduate.
- Diane Govern completed level II Harrison training certification.

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# Strategies:SHOP TALK

Newsletter of Organizational Effectiveness Strategies

Spring Edition 2014



## GROWTH

### FROM THE PRESIDENT'S DESK

Suzanne M. Miklos, Ph.D.

### STUCK IN THE MIDDLE

Doris, a regional CEO in Ohio, has run her region independently for the past 10 years. She has loved being a P&L owner while having the benefit of corporate support for marketing and centralized services. There is a large scale initiative in the organization to move to more centralized and coordinated control. This OneCorp Program has resulted in her financial officer, human resource officer and IT officer all reporting into their corporate functional areas with a dotted line to her. The organization has a number of initiatives that will streamline and integrate these functional areas across the organization.

This scenario of business units, that once functioned fairly autonomously, now operating in a centralized, integrated fashion has become common. In the past, the role of the regional or divisional President was to run his or her business effectively. Now it is to run the business effectively while contributing to a national or global agenda. Doris finds herself needing to behave both as a CEO and a middle manager in a large corporate structure. Some of the change being implemented is detrimental to her regional agenda in the short term but needed for long term strategies of the enterprise.

The skill sets utilized in this hybrid role are the same as Doris has always needed. However, there are some new dynamic tensions to balance. For example, Doris has both a financial and an IT initiative rolling out in her region during a facility renovation. She will have to manage slippage in timeframes that are beyond her control, as well as coordination of timing and negotiation with her corporate partners on resource needs, to ensure that her operations remain stable during the



transition. Additionally, her local Board needs to understand the implications for their role and become comfortable distinguishing between decisions where they can contribute significantly from those where they have limited influence.

Doris must communicate in all directions; sell decisions locally that were made nationally and influence implementation of

plans for projects that impact her budget. For leaders in this situation, recalibrating time spent on regional versus national initiatives is a critical success factor. Another important success factor is focusing on building the "story" that connects the dots for senior leadership and staff. Doris knows that she is responsible for sharing an inspiring vision and ensuring that people feel empowered, rather than victimized by the changes. She does this by connecting her organization's journey to what is happening in the industry and nationally. She points out how the strengths of the organization benefit the national agenda and how the new national structure fuels future capability in the local organization. She also spends time with community

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### FEATURED PRODUCT: EXECUTIVE ASSESSMENTS

Executive assessments identify an individual's potential to perform successfully in your environment. Based on a comprehensive evaluation of competencies and work style, an assessment is useful in determining the fit for an individual being considered for hire, promotion or development. An added benefit of a systematic assessment is identification of an individual's potential for future roles. We recommend that organizations identify the top two or three candidates to move on to the assessment phase. Assessments are offered through in-person, teleconferencing and mail-in evaluations and can be used for:

- External candidates for senior level positions
- Promotion when the new role is a significant stretch
- Preparing an internal candidate for a future opportunity
- Retention and development of a high-performing individual with a "soft skill flaw"

Our simulation rich assessment process is professionally facilitated. The outcome of an assessment is a report that provides a profile of results including strengths and developmental needs observed during the assessment process. Developmental suggestions can be provided to enhance strengths and/or to overcome limitations.



Kelsey Herb

## SUPERVISOR'S CORNER

### GUIDING GROWTH OF ORGANIZATIONAL LEADERS

Maintaining a list of candidates who are available to move into leadership positions is foundational to succession planning and building a leadership pipeline. However, it is well documented in the leadership field that new leaders fail at an alarming rate. Newly promoted leaders fail because too often people are promoted out of their skill sets. In other words, managers who have succeeded because they demonstrate exceptional technical ability or expertise in a particular function are promoted into leadership roles that require skills they have not had the opportunity to develop.

As employees move up the leadership ladder, new skills and abilities become necessary. Job demands change and job complexity increases as you ascend the leadership ladder, and a (2012) study by PDI Ninth House suggests that the requisite personality characteristics change too. For example, where technical skills were the top priority in middle management levels, skills and traits that enable interpersonal influencing become the highest priority in top leadership. Additionally, functional expertise can become a hindrance when broad understanding of cross-functional systems is needed.

Such challenges arise at multiple transition points; moving from project manager to a people manager, from a people manager to a function leader, from a function leader to an enterprise leader, etc. Often the criterion for promotion to the next level is simply success in the current position. Unfortunately, this is not a sustainable model and many inadequately prepared leaders have paid the price with failure to meet the requirements and expectations of their new role. Examples of transitions that must be made as one rises up the leadership ladder are provided below:

- Tactician to Strategist
- Technical/Functional Specialist to Cross-Functional Generalist
- Soldier to Ambassador

The good news is that methods exist for blending succession planning with development in order to facilitate successful moves up the leadership ladder. Combining traditional succession planning (lists



of high potential candidates stored away) with planned development of high potential employees can pave the way for organizational and individual success.

When employees are identified as high potential and placed into the succession planning queue, developmental efforts should also begin. Supervisors need to be prepared to actively develop their reports into leaders. This can be accomplished through a number of best practices in development.

- Needs assessment: Effectively guiding managers to become organizational leaders starts with needs assessment. This can include 360° feedback, competency assessment, cognitive ability and skills assessment. The key priority here is that the skills, abilities and traits required for successful leadership be evaluated for each candidate. This data-driven approach provides specificity around areas for development.
- Developmental assignments: Research suggests that successfully transitioning to top leadership requires a balance of results-orientation and working well with others. Learning such balance, as well as other important skills, can be accomplished through strategic delegation of tasks and projects.
- Coaching: Coaching and mentoring relationships provide managers with the opportunity to learn from experienced professionals who are experts in leadership transitions. This expertise may come from education and research (e.g., coaching) and/or from direct experience with rising through the ranks (e.g., mentoring).

Ultimately, the approach taken when preparing employees for development will be dependent on the goals and strategies of the organization. However, ensuring that the approach is data-driven is vital and must be evaluated and re-evaluated throughout the process. Employee development should be treated as a continuous process in which both the leader and the employee work hand in hand.

## CASE STUDY

### A CASE OF STRATEGIC ALIGNMENT

Effective workforce management involves a blend of forecasting, staffing, scheduling and making adjustments in real time when unanticipated changes occur. In a contact center representing the face of the organization to the customer, the stakes are high. The objective is to get the right number of people, in the right places, at the right time, with the right skill sets. Overstaffed centers increase costs and erode profits; understaffed centers risk customer abandonment. One challenge in a contact center environment is that the workload is a moving target. Another is the complexity of strategically staffing a center in anticipation of increased sales.

**The Approach:** In response to the needs of a contact center to formulate human resource policies and practices around strategic staffing, we developed a methodology for developing a data driven staffing algorithm. Our approach was designed to meet the strategic growth goals of the Company based on the anticipated increase volume of sales. We partnered with their human resources, contact center and sales and marketing teams in order to gather data and deliver a comprehensive tool that would meet the needs of various stakeholders to achieve overall organizational goals.

Semi-structured interviews were conducted with contact center incumbents, supervisors and managers as well as human resources, sales and marketing leaders. Information was collected on the core tasks performed and the competencies required for successful performance. Interview data was triangulated through archival information on the department, SOPs, job descriptions and performance reviews of incumbents. We also reviewed best practices for staffing contact centers and collected benchmark data from other industries. Finally, we observed incumbents and tracked real time spent on all tasks.

**The Process:** The model used for the engagement is illustrated below.

Growth Strategy → Staffing Gap Analysis (Current State vs. Future State) → Process Improvements → n → Competencies

1. Growth Strategy: The Company desired a plan that would forecast required staffing for unknown levels of business. Understanding the growth strategy was key to delivering a result that the client could use to make a business case for increasing the staffing levels of the contact center.
2. Staffing Gaps: Our data gathering approach allowed us to provide a snapshot of the current state of the staffing levels for the contact center at existing sales volume. Interview data revealed that the existing staff members were feeling



Diane Govern

stretched in terms of the current work load and were feeling overwhelmed and risked burnout. Our job observations and analysis of task data substantiated the interview data, revealing that incumbents took very few breaks and engaged in high levels of multitasking in order to meet customer demands. The results indicated higher levels of utilization rates (percentage of time spent on job tasks) compared to industry standards. In order to meet increased demands, staffing levels would need to be increased, but by how much?

3. Process Improvements: In conducting a strategic staffing study, we also factored in the impact of process improvements on staffing levels. The job observations revealed that there were recurring tasks throughout the shift that were highly manual. This increased the amount of multitasking required, while at the same time, reduced the amount of time agents were available to handle more critical customer facing tasks.
4. Competencies: Our approach included the identification of key competencies required for successful performance of contact center duties. With fairly aggressive sales growth anticipated, we assumed that adding staff would be an eventual outcome and wanted to ensure that in doing so, the company took into account during the hiring process the key factors that lead to successful agent performance. A surprising finding was the importance of teamwork and communication with peers in getting the work done. Additionally, we observed a fairly high degree of informal group troubleshooting through conversations among the team and division of duties to serve critical customer needs.

**The Results:** By aligning the strategic goals of the Company with the staffing approach used by the contact center, we were able to provide a staffing algorithm that allowed them to target desired utilization rates based on varying volume levels in order to predict the number of full time employees needed. The algorithm allows the organization to meet their business needs based on projected volume, while at the same time attaining more realistic utilization levels that would better balance the work load for incumbents and potential new hires.

In today's volatile economy, customer service is often a key battleground for loyalty, revenue and market share. Our process allows the Company to staff a contact center at levels that protect margin, while at the same time, reduce stress levels of incumbents to maximize performance levels.