How HR Can Help Senior Leaders Get the Big Picture

BECOMING A STRATEGIC PARTNER TO SENIOR MANAGEMENT
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Today’s senior executives don’t hold HR in very high esteem: according to Deloitte, almost half of senior leaders (42%) thought their HR teams were “underperforming or just getting by”; only 27% rated HR as excellent or good.”¹

For government HR teams committed to their agency’s mission, this is demoralizing news. Amid competition from the private sector for the brightest talent, Baby Boomer retirements, the demands of Millennials, and even rapidly changing technology, HR teams have their hands full without the possibility of dissatisfied senior leaders.

Yet it is precisely these challenges that are affecting HR’s ability to do its job and do it well. And all of these challenges are far beyond any HR manager’s control. The Baby Boomer exodus isn’t slowing any time soon, Millennials will continue to change and challenge the workplace, and the economy—and how Congress will respond—is anyone’s guess.

There is one key factor within HR’s control, however. Employee engagement. Improving engagement can help government HR teams ensure their agencies can transcend poor economies, attrition, and skill gaps by creating a rich employee experience, one that powerfully influences retention, performance, loyalty, motivation, and productivity.
Gallup estimates that the “lost productivity of actively disengaged employees costs the US economy $370 billion annually.”

Engagement isn’t small potatoes when it comes to maximizing limited budgets either: for an organization of 10,000 employees, transforming low engagement into high engagement can “have an impact of over $42 million.” Conversely, Gallup estimates that the “lost productivity of actively disengaged employees costs the US economy $370 billion annually.” More critically for government agencies, as demand for services increases, keeping great talent engaged will be pivotal in agencies’ ability to meet that demand.

Making employee engagement a priority is how HR teams can prove their worth as strategic partners with senior leadership. Working with directors and other leaders to improve engagement—and along the way delivering a more consistent, comprehensive picture of the organization’s talent—lets HR teams play a pivotal role in the organization’s sustainability. Instead of being viewed as simply the department that takes care of paperwork and exit interviews, HR teams can be instrumental in helping leadership visualize a successful future for the organization—and creating the workforce that will make that success a reality.
WHAT ARE THE TOP THREE KEYS TO HELPING HR DEPARTMENTS BECOME SENIOR LEADERSHIP’S STRATEGIC PARTNER?

- Taking the lead on succession planning.
- Making compensation performance-based and transparent.
- Delivering powerful analytics, not just data.
Senior leaders are concerned about succession planning—and for good reason. Expected and unexpected shortages of critical talent affect all organizations. Yet talent shortages are even more devastating for government organizations: while talent gaps may cause the private sectors’ profitability to decline, shortages in government can result in the slowdown or even stoppage of delivery of crucial services.

Yet succession planning still isn’t being done in a consistent, measured way. In a survey conducted by the International Public Management Association for Human Resources, only 27% of public sector respondents had succession plans in place. The stumbling block? Forty-one percent said there was “never enough time” and 46% thought management was more concerned with “day-to-day business.”

The additional challenge? While private sector organizations are not much ahead of public sector organizations in succession planning rates, the private sector also doesn’t have the added challenge of working within established merit and civil service systems. Government agencies must contend with both hired and elected positions and make decisions in full view of the public.

Building succession plans is crucial to engaging high-performing employees and the employees they lead. Frequent changes in leadership, coupled with political and policy fluctuations —bring uncertainty to work environments - and are detrimental to engagement and productivity at all levels of work.
HOW CAN HR GET IN FRONT OF SUCCESSION?

1. Become expert talent identifiers at the beginning of the employee lifecycle.

Senior leaders are counting on their HR teams to identify high potential, high-performance employees. Which means HR must have an effective way to identify talent from the beginning of the employee lifecycle (recruiting and onboarding), not the middle (performance).

True succession planning begins with sourcing, as organizations identify current and future talent needs and target hiring to meet long-term organizational goals. At its core, this means being proactive about recruiting talent. Too often, public sector agencies wait for candidates to find them. Instead, consider ways to filling your talent pipeline with high-quality candidates. Gallup experts call this “stacking the deck,” stating that leadership identification becomes far easier over time if agencies commit to first “load[ing] the company with talent.”

2. Champion a formal development process.

The adage “great leaders are made, not born” has never been more apt. The world of work, the economy, and technology move at lightspeed, and even the most talented succession candidate needs training. Government HR teams can lead the charge in ensuring the organization values and prioritizes learning and ensures leadership candidates are developed over time.
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As an adjunct, putting formal learning in place can also help agencies attract better talent in the first place and engage the ones they have. Employees value growth opportunities: in the 2012 Employee Job Satisfaction and Engagement study, 63% of employees thought the ability to use their skills and abilities fully was most important to job satisfaction, and 36% rated an organization’s commitment to professional development as very important to job satisfaction.6
Senior leaders don’t always know why employees aren’t engaged—or why they leave. It’s easy to blame attrition on dissatisfaction with pay: 89% of organizations think employees jump ship for more money. Yet in reality, only 12% of workers leave for a bigger paycheck.7

Compensation matters—but not in the way everybody thinks. When it comes to pay structures, transparency and fairness are just as important to employees as dollar amounts. Employees care that their pay, in comparison to others, is both equitable and competitive. According to research by Towers Watson, levels of employee engagement are directly affected by perception of pay fairness: employees who think they are being paid fairly are “4.5 times as likely to be engaged as those who don’t.”8 Yet this can be even more challenging to manage in public sector work environments, where employees have certain job protections, and it can be harder to weed out underperformers.

While some agencies have had success implementing pay-for-performance systems, there’s still significant push back. Cries of favoritism and a lack of transparency preceded the termination of the pay-for-performance program at the Department of Defense. The Department of Veterans Affairs also faced allegations of number manipulation by employees to ensure bonuses when they attempted a similar compensation program.9
According to the US Office of Personnel Management, alternative work schedules improved employee satisfaction by 89%; other non-monetary measures also increased satisfaction significantly, by 67%.\textsuperscript{11}

What then can government do in the meantime, if a true pay-for-performance system isn’t yet an option?

Research by the Human Capital Management Government (HCMG) organization shows 63% of government organizations already use non-monetary recognition to increase engagement.\textsuperscript{10} This includes awards, verbal and written achievement, work-life programs, and alternative work schedules. According to the US Office of Personnel Management, alternative work schedules improved employee satisfaction by 89%; other non-monetary measures also increased satisfaction significantly, by 67%.\textsuperscript{11}
HOW CAN HR TEAMS TAKE THE UNDERSTANDING OF COMPENSATION BEYOND THE DOLLAR?

1. Unify compensation with performance through technology.
   While agencies may have little flexibility in financial compensation, they can begin to implement significant non-monetary compensation. Yet this still requires more adeptly identifying those who are going above and beyond and employing true discretionary effort. For this reason, agencies need to transcend the traditional performance review process and stop relying on discrete systems to track employees. Technology that unifies both performance management with compensation management can help HR and senior leaders make data-driven decisions—instead of guesswork—about whom to reward.

2. Prioritize transparency.
   For government agencies, required to follow a general schedule and generally make compensation levels public, transparency of pay isn’t the issue. But transparency of effort is. Employees don’t always know what differentiates high performance from average performance. When non-monetary compensation tools are used, in absence of a pay-for-performance system, HR must be clear, open, and specific about how employees can achieve desired levels. This may require implementing a more flexible, unified talent management system that unifies performance, learning, and compensation.

“When employees understand what is expected of them and how their achievement ties to their compensation—and that the same system is employed for all workers—they’re more likely to be engaged.”
3. Give employees tools to improve performance and become eligible for better compensation.

Performance and compensation aren’t standalone phases of the employee lifecycle. Mediocre employees must be given the opportunity to improve via learning and development opportunities. While compensation can improving transparency of compensation and performance can improve engagement, providing ongoing training boosts does triple duty: it boost individual engagement, improves performance, and creates insight into the commitment levels of leadership candidates.
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PRESCRIPTIVE ANALYTICS

Studies show that leadership has a much more optimistic outlook on engagement levels than other employees. Among senior leaders, more than 20% thought their employees were more engaged when compared to other companies; only 7% of respondents outside senior leadership positions thought the same.12

But leaders aren’t just missing the big picture on engagement. They don’t always anticipate—or have access to clear analytics that show—the possible return on investing in their human capital. They may know that “happier” workers are more effective, but they often think of engagement—and unified talent management for that matter—as a “nice to have,” instead of a critical factor in ultimately increasing productivity, reducing turnover, and improving performance.

To increase investment in engagement programs, HR teams must have the capability to demonstrate results to senior leadership. This means establishing metrics to measure the value of the talent management process. Yet very few organizations do so. Research by Hewitt shows that less than 10% of organizations surveyed “measure the effectiveness of talent management programs, track the quality of talent, or use specific quantitative frameworks to align human capital investments with their business strategy.”13 According to studies by Deloitte, only 4% surveyed said they had “predictive talent analytics” in place, and only 14% had any program in place.14
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It’s not enough to merely measure and present data. According Adelaide O’Brien, research director at IDC Government Insights, “The data management and analytics challenges of the intelligent economy are likely to overwhelm government organizations that are unprepared.”¹⁵ The key to HR’s playing a more strategic role in the agency lies in being able to interpret and present data in an accessible form.

To do so, HR leaders must have access to a truly unified talent management system that delivers insight into every phase of the employee lifecycle. It cannot be understated: HR teams still relying on discrete talent management processes—multiple systems tracking recruiting, learning, performance, etc.—can’t deliver the big picture of talent to senior leadership. Driving smart, long-term decisions about talent requires access to more sophisticated analytics to grasp the reality of their current talent landscape and subsequently make the kind of talent decisions, from hire to retire, that maximize sustainability and profitability.

Corporations are in the business of making a profit; government organizations are in the business of delivering on crucial services to communities, states, and the nation. It can be argued thus that tracking and using talent management analytics are even more crucial for agencies, who must deliver on missions, not merely the bottom line.
1. Take analytics beyond absenteeism and turnover rate.

True talent management analytics encompass more than attrition rates. Driving better decisions means giving leaders prescriptive data, not standalone facts. Prescriptive data is the result of all the facets of talent management, the unification of recruiting, learning, performance, compensation, and succession information into comprehensive analyses.

2. Ensure the veracity of data.

Consulting firm DDI discusses the three “Vs” of Big Data—velocity, variety, and volume—and recommends adding “veracity.” Data is “low veracity” when it is either data that isn’t “logically associated with talent behaviors” or data that “requires additional cleaning steps before they can be used.”

DDI recommends organizations create a data structure that “parallel[s] the employee lifecycle to ensure analytics are prescriptive in nature.”

3. Deliver analytics in an engaging, accessible format.

Keep in mind there’s a big difference between data and analytics. To become effective strategic partners in their agencies, HR teams must learn how to position information for senior leaders, namely providing decision makers with not just numbers but analyses that show the big picture of the workforce.
BECOMING A TRUE STRATEGIC PARTNER REQUIRES TRUE TALENT MANAGEMENT TOOLS

Senior government leaders too often view HR teams as operational, not strategic, partners. Yet HR teams can reestablish their strategic worth by playing a key role in succession planning with formal identification and development strategies; taking the lead in transparent compensation planning; and delivering true, prescriptive talent management data that transcend traditional HR metrics.

However, for HR teams to function effectively as the crucial link between talent and leaders, they must have access to true talent management tools. For too long, HR teams have been held back by inefficient talent management processes: spreadsheet-based reviews, clumsy legacy ERP systems, separate recruiting and applicant tracking applications, all of which prevent HR teams from gaining—and sharing—the big picture view of talent so crucial to government organizations’ ability to deliver on their critical missions.

Becoming a strategic partner to senior leadership requires instead a truly unified talent management (UTM) strategy, designed to deliver the full story of an agency’s human capital. UTM provides a seamless talent management experience, connecting every phase of the employee lifecycle on a single platform, with one login—and access to one customer support team. UTM empowers HR leaders to help senior leaders plan for the future with powerful, unified recruiting, onboarding, learning, performance, compensation, and succession tools.
Powerful talent management requires powerful talent management tools.

Used by more than 2,100 organizations worldwide, Cornerstone OnDemand is the only truly unified system designed to enable comprehensive talent management, from one platform, with one login.

As a result, agencies can place more focus on engaging every employee while spending less time managing multiple systems. Cornerstone helps organizations improve productivity and profitability by delivering key insight into the entire employee lifecycle.

Ready to learn more about how to get started building your unified talent management strategy and how it can benefit your organization?

Let’s Talk