Welcome!

To

Look Inward: How to use Data to Identify Opportunities and Drive Internal Mobility

October 16, 2017
“If we are unable to hire or retain key employees or a highly skilled and diverse workforce, it could have a negative impact on our business.

Our continued growth requires us to hire, retain, and develop our leadership bench and a highly skilled workforce. We compete to hire new employees and then must train them and develop their skills and competencies. Failure to develop an adequate succession plan to backfill current leadership positions, including our Chief Executive Officer, or to hire and retain a diverse workforce could deplete our institutional knowledge base and erode our competitive advantage. In addition, our operating results could be adversely affected by increased costs due to increased competition for employees.”

Their leaders recognize the risk... Do yours?
Agenda:

1. A trip around the triangle – 3 points of view...
2. QUESTION - *What is the BIGGEST obstacle to embracing talent mobility in your organization?*
3. Reasons to embrace talent mobility/benefits of doing so
4. Different data types and how to present that data
So… What IS internal mobility anyway?

Internal Mobility (AKA mobility and talent mobility) is a dynamic internal process for moving talent from role to role at the leadership, professional, and operational levels.

- Bersin by Deloitte
Three points of view:

Organization

Data

Employee
The percentage of US employers reporting difficulty filling jobs increased to 46% in 2016... Low unemployment paired with shorter skills cycles... means employers across the US are struggling to fill positions. When the talent isn’t available, organizations need to turn to training and developing their own people…”

- Kip Wright SVP Manpower North America
“Successful internal mobility programs help hiring managers learn about the skills, experiences and aspirations of internal candidates, while employees learn about new roles that will allow them to contribute to the organization in new and different ways. This kind of organizational transparency can increase employee engagement and retention while shortening time to productivity and reducing competitive intelligence leakage.”

- David Marzo, Futurestep Vice President and General Manager 11/3/15
A story of talent management
Consider different employee populations: And *their* wants and needs!

- C-Suite and Senior Management
- Mid-level managers
- Millennials or other generational groups

Precedence:
Has the organization traditionally embraced talent mobility?
Integration into performance management: Is it? Why not? How? What about... goal setting?

Reward & Recognize: Talent farmers

Managers’ job descriptions: Staff training AND Development

Integration of systems: Within HR & without

Strategic workforce planning: Futuring aka Scenario Planning

Who “owns” talent: SHOULD be the organization, NOT the business unit...

The recession hangover: BEWARE!
What is the BIGGEST obstacle to embracing talent mobility in your organization?
35% of investment decisions were determined by non-financial information.

Top 10 Nonfinancial Variables Considered by Financial Analysts:

7 – Management expertise
5 – Ability to attract/retain talent
4 – Innovation
1 – EXECUTION of corporate strategy
“Successful internal mobility programs help hiring managers learn about the skills, experiences and aspirations of internal candidates, while employees learn about new roles that will allow them to contribute to the organization in new and different ways. This kind of organizational transparency can increase employee engagement and retention while shortening time to productivity and reducing competitive intelligence leakage.”

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Job bidding - Employees indicate an interest in a position that they feel qualified for before one becomes available.
40% of employers globally reported talent shortages in 2016...
The highest percentage in 9 years!

Why employers have difficulty filling jobs:
23% - lack of applicants/no applicants
18% - lack of experience
16% - lack of technical competencies
16% - want too much $$
12% - lack soft skills
23M - 30M = -7M!
Top generational *talent related* characteristics for “next job selection”:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
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<tbody>
<tr>
<td>Will develop my skills for the future</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Offers a clear career path</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Will pay for my continuing education</td>
<td>9</td>
<td>9</td>
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</table>
The Silver Tsunami
and
“Accelerated Responsibility”
Generational Size

- Millennials
- Gen X
- Baby Boomers
Why embrace talent mobility?
The voice of the employee
5 Dimensions of a Great Place to Work

CREDIBILITY
Communication — Communications are open and accessible
Competence — Competence in coordinating human and material resources
Integrity — Integrity in carrying out vision with consistency

RESPECT
Support — Supporting professional development and showing appreciation
Collaborating — Collaboration with employees in relevant decisions
Caring — Caring for employees as individuals with personal lives

FAIRNESS
Equity — Balanced treatment for all in terms of rewards
Impartiality — Absence of favoritism in hiring and promotions
Justice — Lack of discrimination and process for appeals

PRIDE
Personal Job — In personal job, individual contributions
Team — In work produced by one’s team or work group
Company — In the organization’s products and standing in the community

CAMARADERIE
Intimacy — Ability to be oneself
Hospitality — Socially friendly and welcoming atmosphere
Community — Sense of “family” or “team”
Credibility

Communications — Communications are open and accessible
Competence — Competence in coordinating human and material resources
Integrity — Integrity in carrying out vision with consistency
RESPECT

Support—Supporting professional development and showing appreciation
Collaborating—Collaboration with employees in relevant decisions
Caring—Caring for employees as individuals with personal lives

Respect
Support Professional Development
Collaboration (both employees & managers!)
Fairness

Impartiality (otherwise only the ones you know/like are thought of!)
Leaders want to know:
How many internal people are applying for your openings?
Why aren’t more people applying?
Who’s applying? How do their qualifications match our needs?

What you don’t have, you can’t use.

Data quality – Beware of GIGO!
Stand up and be Counted!

Everyone stand up, when you can’t answer yes please sit...

*At your current organization, how many of you track:*

Turnover?

Voluntary & Involuntary Turnover?

Reason codes to segment specific reasons for Voluntary vs. Involuntary Turnover?

Desirable Turnover?

Regrettable Turnover?
Desirable Turnover? What’s that Adam?

1. Bottom performer leaves *on their own*
2. Bottom performer terminated
3. Average/lower level performer gets replaced by someone that becomes a superior performer
4. *Lower performer is replaced by promoting someone inside that needed more challenge or growth to develop* (thus improving the organization, increasing internal movement)
Desirable Turnover? What’s that Adam?

5. Employee was a notoriously bad manager
6. Non-diverse employee gets replaced by diverse one
7. Employee was a trouble maker - required lots of management time
8. Employee was highly paid due to tenure but delivered no more than workers earning much less.
Turnover v. Regrettable Turnover

Turnover % = \frac{\text{# of Separations}}{\text{Avg. # of Employees}} \times 100

R. Turnover % = \frac{\text{No. of Permanent High Potential Leavers in the Reported Period}}{\text{Average Actual No of Permanent High Potential Employees Over the Reported Period}} \times 100
Turnover v. Regrettable Turnover - Example

Turnover % = \( \frac{\text{# of Separations}}{\text{Avg. # of Employees}} \times 100 \)

\[
\frac{100}{1800} \times 100 = 5.56\%
\]

Don’t forget...
you can marry any of these to demographics
(age, race, gender, etc.)

\[
\frac{12}{72} \times 100 = 16.67\%
\]
“It’s not **what** you say; it’s **how** you say it...”
Which is more effective? (Data Visualization)

Option 1:
Turnover this quarter was 18%. That’s up .89% to this quarter last year, but our YTD turnover is 2.1% less than it was at this point in 2016.
Which is more effective? (Data Visualization)

**Option 2:**

<table>
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<th>YTD</th>
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<td>18%</td>
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<td>17.11%</td>
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Option 3:

Which is more effective?

(Data Visualization)
Which is more effective?

1) Turnover this quarter was 18%. That’s up .89% to this quarter last year, but our YTD turnover is 2.1% less than it was at this point in 2015.

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2017

Or 2) 

Or 3)
Which is more effective?  
(Data Driven Storytelling)

Turnover this quarter, while not bad at 5.56% overall, was 16.67% on the regrettable scale.

Or

This quarter saw us lose 12 of our 72 hi-potential promotables including:

G. Lopez  
VP - R & D.  
Tenure 4.2 yrs.  
New product lead

C. Underwood  
Controller  
Tenure 6.1 yrs.  
To Coca Cola

B. Obama  
VP Risk  
Tenure 16.4 yrs.  
Most knowledgeable in department

J. Hudson  
Sales Director  
Tenure 3.4 yrs.  
Beat quota every yr.

Arc Human Capital, LLC
Introducing... the Career Path Ratio!

The number of employees moving upward in the organization as a percentage of all employee movement.

Total Career Path Ratio: promotions as a percentage of all employee movement (transfers & promos) within the organization. This indicates the career development opportunities that exist within the organization.
Introducing... the Career Path Ratio!

**Total Promotions** - Total number of employees who were promoted to a higher-level position or one of greater responsibility during the survey period.

**Total Transfers** - Total number of employees who were transferred to a different department or job category of an equal level of responsibility during the survey period.
The Career Path Ratio - An example!

Promos – 100    Transfers – 40    Career path ratio: 71%

\[
\text{Total Promotions (TP)} = \frac{(TP) 100}{(TP) 100 + (TT) 40} = \frac{100}{140} = 71.42\%
\]

CONCLUSION – many development/advancement opportunities!

\textit{BUT, don’t look at this alone!}
Major corporations that maintain “alumni groups” on LinkedIn
Justification(s) (aka the Business Case)

1. **Long term financial:** Increased and/or industry leading annualized returns!

2. **Short term financial:**
   a) Lower turnover
   b) More job applicants
   c) Lower absenteeism (UK)

3. SWP – Talent Executes Strategy!

4. Cost effective
Justification(s) (aka the Business Case) cont’d

5. Culture/Great workplace
6. Staff Retention/Customer Satisfaction
7. Efficiency
8. Lack of newly college educated applicants
9. Silver Tsunami departures
10. Generational size disparity
11. Last but not least: “reduce competitive intelligence leakage”
Questions?
Want a copy of the slides & other goodies?

Bring up your business card!
Thank you!

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*We keep you there.*  

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