

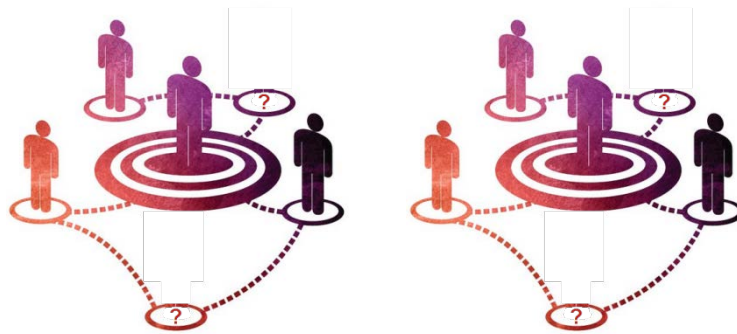
How to Avoid Skill Shortages in Your Organization

Joe Kolinger

Founder, OfficeWork Software

Today's Presentation

- The world is rapidly changing and creating new demands
- HR must act as a trusted advisor to ensure access to talent and help close gaps.
- A strategy is required
- HR must understand how talent mix and gaps affect the organization's survival.
- There is no silver bullet.
- A disciplined management approach and investment is required

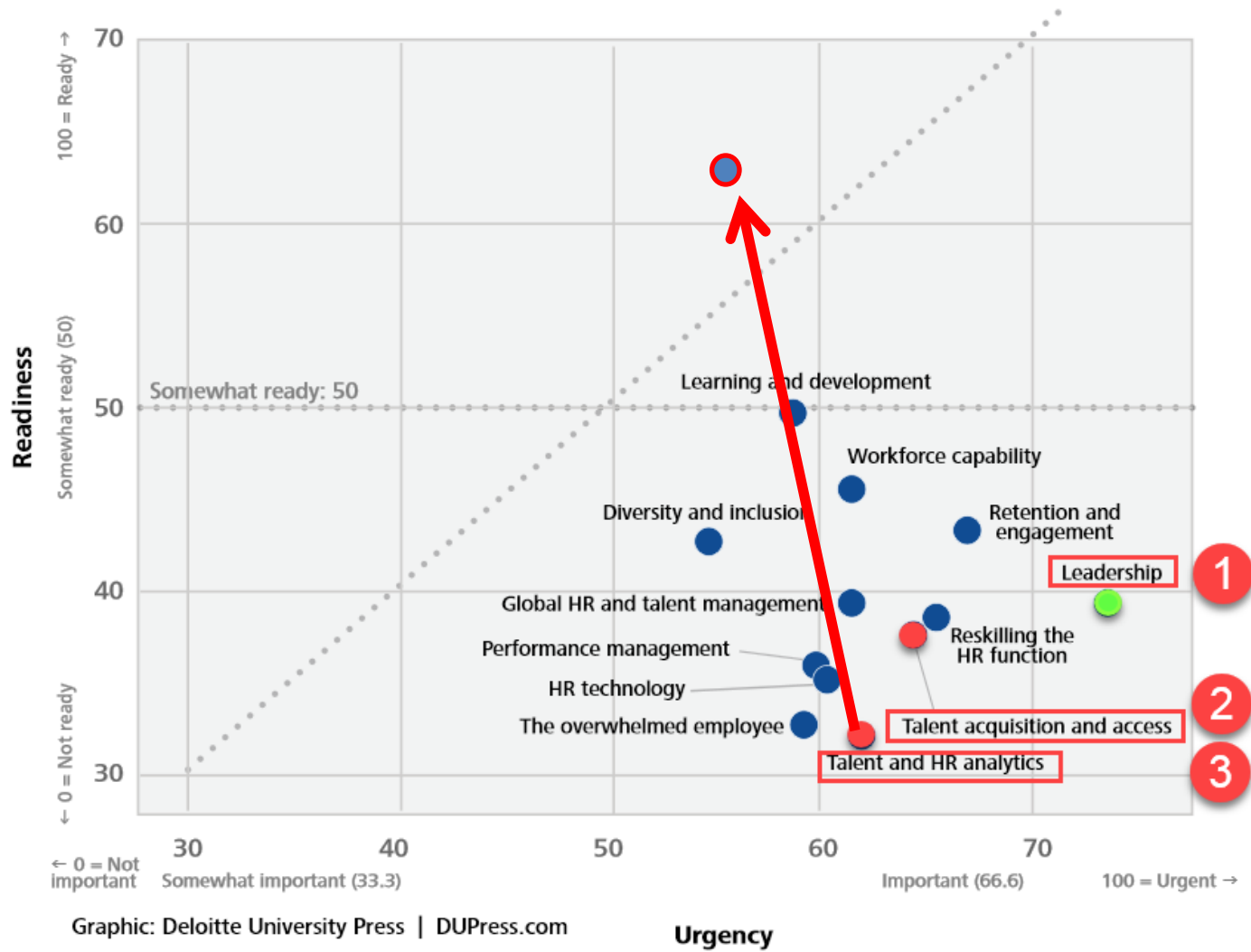


Polling Question #1

Your role:

- a. C-Suite
- b. VP or Director of HR
- c. Manager of HR
- d. Individual contributor

Global Trends



Source: Deloitte Global Human Capital Trends 2014: Engaging the 21st-century workforce

Polling Question #2

Regarding the global trends, do you agree with my three picks?

- a. Yes
- b. No
- c. Not sure
- d. I think they are pretty close

The Effects of Talent Gaps



Employee Flight
& Engagement



Late
Project
Delivery



Quality
Problems



Cost
Overruns



Dissatisfied



Loss of
Customer!

Hard Lessons Learned

- Skill gaps are always in progress
- Early warning
- Managing risk vs. Managing problems
- Continuous improvement
- Start with strategy

Do not get blindsided!

The reality is that most companies do not have a strategy to manage talent risk.



How Does Your Company Score Today?

Managing Skills Gaps

1. What are your measures of success?
2. What do you need in terms of people process and technology?
3. How are you positioned today in terms of people, process and technology?
4. What is your roadmap to address these gaps?
5. What are the milestones and interim measures?

Where to Start?

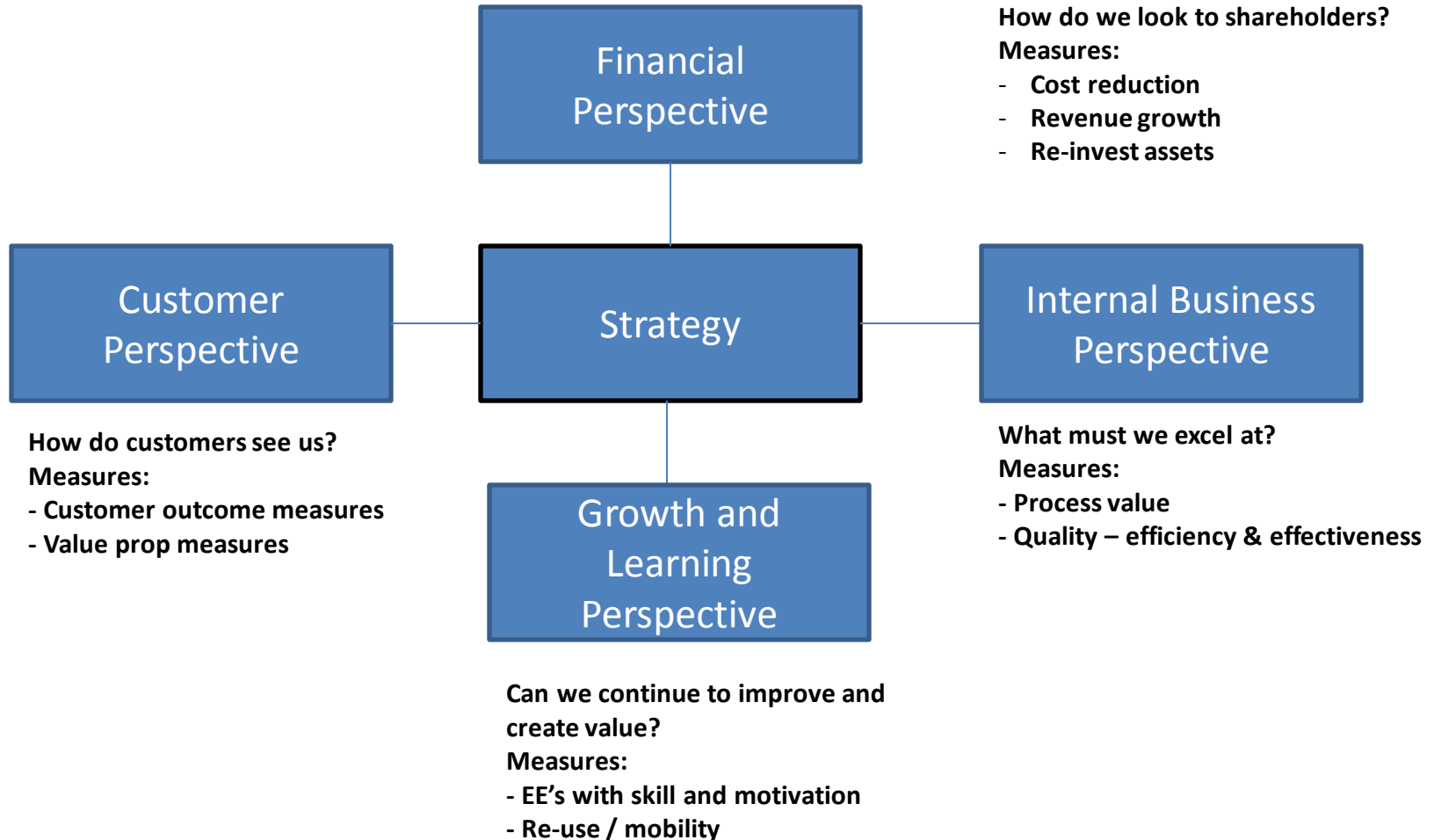


The Strategy Question

We must ask the business what is important and establish a baseline for that, communicate frequently on progress of that measure = “Aligning with Business Priorities”

- **Business** (Goals and direction)
- **People** (Employee competency profiles)
- **Metrics** (Selecting the right KPI's)

Business Strategy



Polling Question #3

Regarding strategy, does your company employ this kind of concept for setting strategy?

- a. Yes
- b. No
- c. Not sure

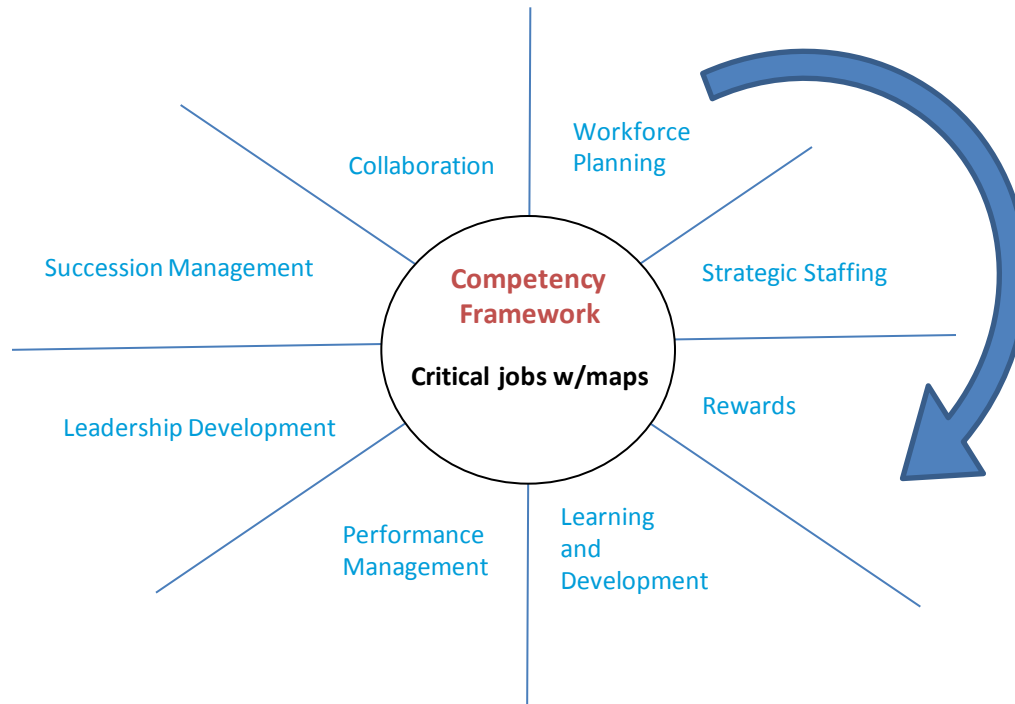
People Strategy

Competency Framework

Competency Framework – the basis for managing talent

- Competency, not personalities
- Connect to the business
- Know what to measure
- Recognize gaps
- Assess trade-offs and replacements

People Strategy Competency Framework



Questions leadership should be asking

1. What does our attrition look like by country, other criteria?
2. Do we have sufficient back fill in these rolls who are impacted by attrition?
3. What are the competency gaps for critical roles and how early are we defining them?
4. Have people been in current roll for 2.5 years, are they ready for movement?
5. Are we missing critical skills among leaders and successors?
6. Do we provide sufficient opportunities for advancement to our top talent?
7. Are mobility barriers putting bench strength at risk?
8. How will anticipated strategy and environmental shifts impact future leadership requirements?
9. Do we have the talent bench we need to fill anticipated leadership vacancies?
10. Cross company movement – breadth of experience?
11. Diversity – by critical positions, and those that make up senior positions?
12. Is our successor pool sufficiently diverse?
13. What are the critical competencies and skills needed to meet our growth initiatives?
14. What are our Experienced and University hiring data for critical roles?
15. What does our Retention look like?
16. Who is close to retirement in critical positions?
17. Leadership & Development “activity” – what are we doing, what is the spend, is it meeting needs, how do we know?

Essential Metrics

Without proper metrics, gaps are impossible to manage.

5 Key Questions for Implementing a Metrics Strategy

- What is the measure?
- What is it today?
- What do you want it to be?
- What is the value of the difference to the company?
- What is the value of the difference over time?

Metrics Starter Set

Metrics Starter Set Examples

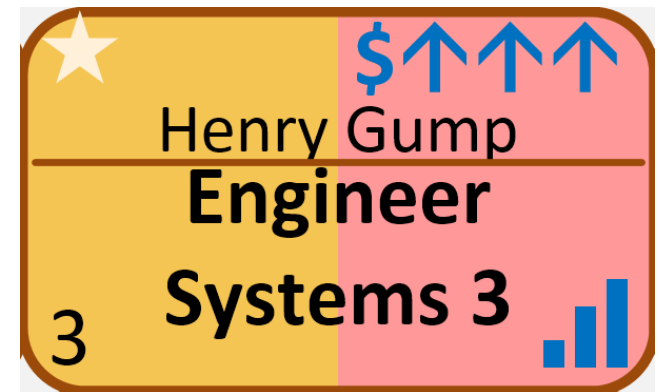
1. **Quality of hire** – Right person for the job
2. **Bench strength** – The right experience levels
3. **Engagement** – Determining how engaged employees are with the business
4. **Performance** – Meeting or exceeding performance standards; time to productivity
5. **Retention** – High potential or High performance in same position for more than 3 years

Why I Chose These Metrics

- **Quality of Hire** – Where it all starts.
 - 40% companies believe this is the most important metric.
 - Only 32% believe they are managing it well.
- **Retention** - is better than replacement.
 - Average 6-9 months to rebuild talent. (50-75% of an employee's salary)
 - \$4,000 average just to fill a position
- **Bench strength** – Promotion readiness and mastering succession management
 - 72% companies say they will have increasing number of leadership vacancies.
 - 76% are less than confident in their abilities to adequately staff.
 - How most organizations identify and fill open positions? Usual answer is, passively. (Gallup)

Visualizing the Skill Gaps

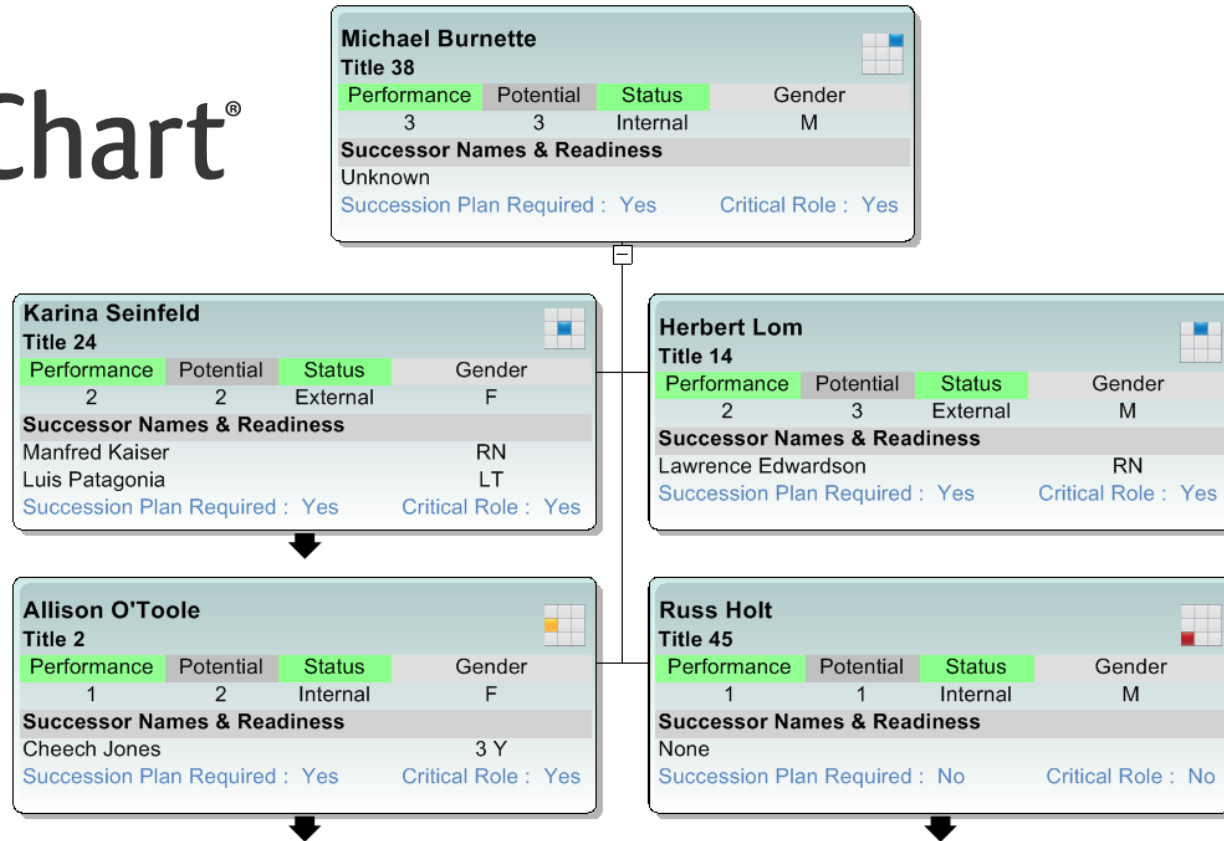
- Visualizing the strategy
- Seeing the gaps
- A clear view of your talent
- A standard for seeing skills across the organization



Visualizing Skills

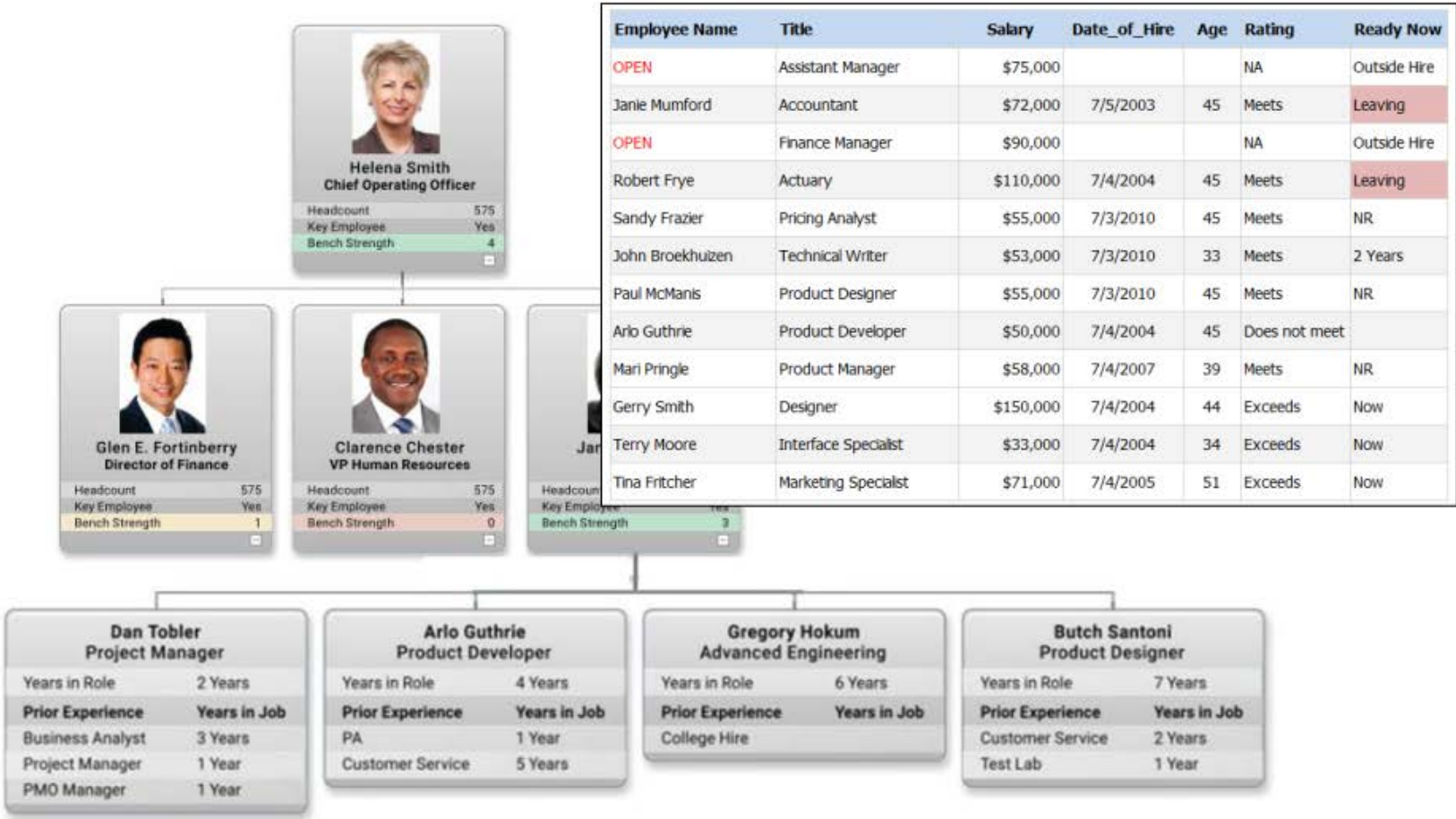


 High Performer

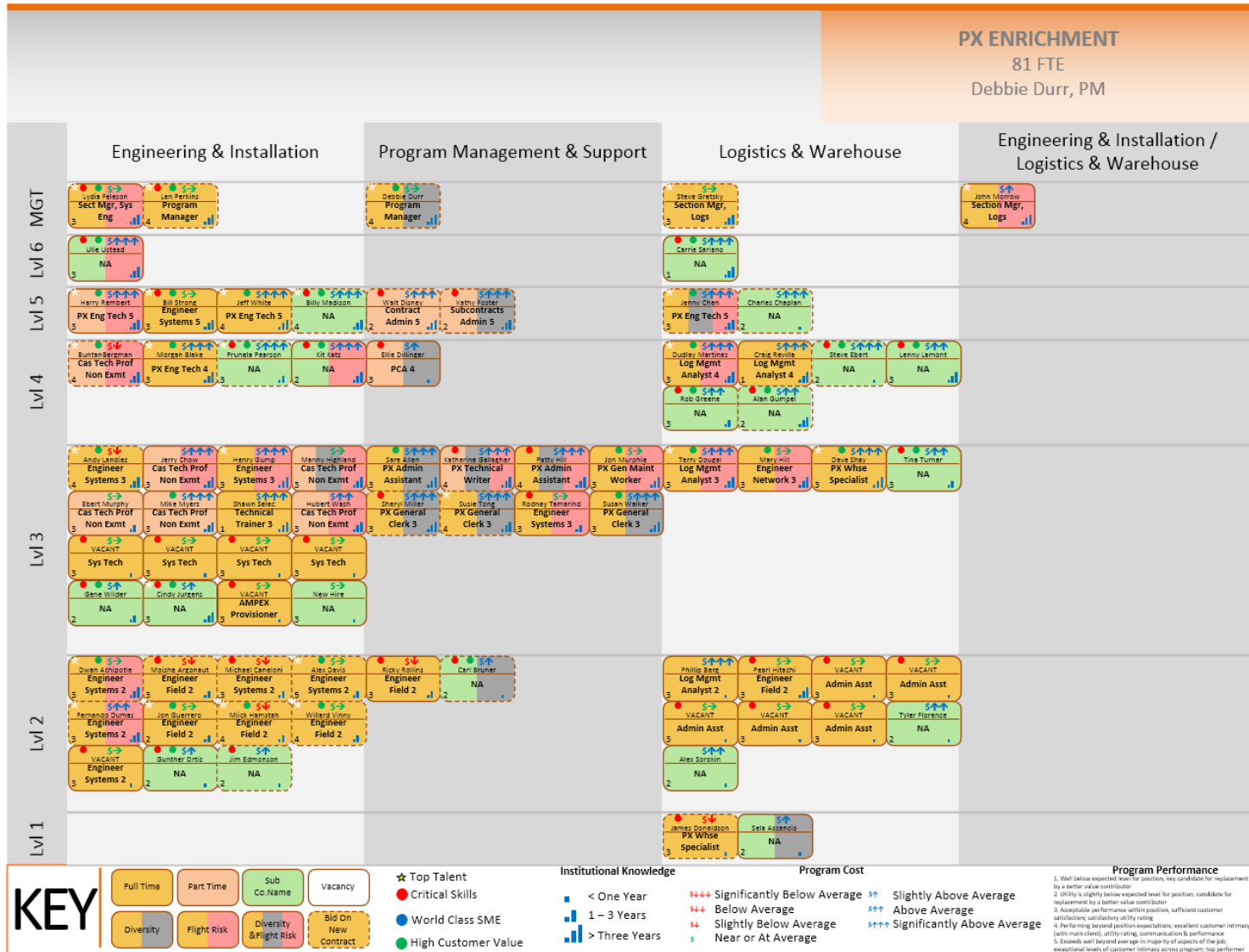


Succession Plan 2017

Workforce Modeling



Visualizing the Talent Gaps



Putting it all together

- Build a strategy that includes:
 - Business (Goals and direction)
 - People (Employee competency profiles)
 - Metrics (Selecting the right KPI's)
- Remember
 - No silver bullet
 - Start smart
 - Use the strategy to leverage people and technology

Conclusion

Protecting your company from skill gaps is achievable.

- Strategy - Committed management decision
- People – Competency-based
- Technology – Visualizing the right metrics
- Risk management – Early warning
- Agile - Continuous improvements

HR is indispensable as a trusted advisor

Q & A

About Joe Kolinger

Joe Kolinger is the founder and CTO for OfficeWork Software.

Over the past 30 years Joe has been helping companies with workforce transformation, technology and strategy for business growth.

His background includes strategic workforce planning and leadership with companies such as Google, AT&T, Kaiser Permanente, and many government agencies throughout the world. He brings a unique perspective on workforce planning and how technologies are best integrated to help with business transformation.

OfficeWork Software's applications and services are used by thousands of companies for visualizing and improving their workforces. The company has offices in seven countries around the globe.

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