Making the Business Case for HR and Learning Initiatives

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Below the waterline – what I am NOT



- A slowwww talker
- A Gen Xer (yes, I realize this is hard to believe)
- Funny
- From Training / HR
- A Lecturer

Now, that we got that covered... on with the show!

What We Will Cover

- What is "The Business Case?"
- Making the business case for: Engagement
- Veolia Case Study: "Leaders of Tomorrow"



What IS "The Business Case?"





WIFM

 What is the **PROBLEM**? = need to increase branch bank staff productivity



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- What does the problem COST the business? = more hours to generate branch revenue
- What is the **SOLUTION**? = management training
- What is the benefit generated from the solution? = the REDUCTION in branch bank staff compensation and the costs associated with reduced voluntary attrition of talent



- **★BUSINESS PROBLEM**
- **★TRAINING PROBLEM**
- ***VALUE OF SOLUTION**



The Benefits of Keeping the Keepers

ENGAGED

- Return 100% of salary in value (highly engaged return 120%)
- Engaged organizations show 3.9 times the earnings per share (EPS) growth rate
- More productive, customerfocused, safer and loyal

DISENGAGED

- Return only 60% of salary in value
- Cost U.S. businesses more than \$300 billion in lost productivity alone





- The Benefits of increased employee engagement:
 - Increased productivity
 - Reduced turnover



- According to a recent Gallup survey, consider today's workforce:
 - 55% not engaged
 - 19% actively disengaged



IF...the 74% of the workforce that are not engaged are operating at 60% productivity, or a 10% productivity loss...

THEN... the 74% who are not engaged are costing their employers 40% of the compensation paid to them.



Calculating the potential cost of disengagement at Hospitality, Inc.:

- Assumptions:
 - Employee population: 17,000
 - Average salary: \$30,000
 - Unlike the Gallup survey findings, Hospitality's workforce is less disengaged then the typical workforce, such that 30% is not engaged vs. Gallup's 74%.
 - Lost productivity of disengaged: 20%



Using the above assumptions, the cost of disengagement to Hospitality, Inc. can be calculated using the following steps:

- The total payroll = 17,000 employees X \$30,000/employees = \$510,000,000
- The value of the productivity lost and subsequent compensation lost due to disengagement:

30% X 20% (the productivity loss) X \$510,000,000 = \$30,600,000



Training our managers to become more effective leaders will:

- Reduce the level of disengagement by a min. of 5%
- Reduce wasted compensation by \$1.5M



- Investing \$500 / manager in leadership training for 1,700 managers = \$850,000
- Reducing disengagement by 5% through leadership training saves \$1.5 million per year
- ROI = 180%



- Increased employee engagement
 - Increased productivity
 - Reduced Turnover



Measure the \$ impact of employee turnover:

- 1. Costs due to employee leaving
- 2. Costs to recruit replacement
- 3. Costs to orient / train replacement
- 4. Costs of lost productivity
- 5. Costs of lost sales



Disengagement Costs....BIG!

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Costs due to staff member leaving	\$9,485
Costs to recruit replacement	\$10,135
Costs to orient/train replacement	\$3,000
Costs of lost productivity	\$11,615
Costs of lost sales	?????

Infrastructure Professionals 150% of salary

IT Professionals 176% of salary

Engineering Professionals 200% of salary

Middle Managers 241% of salary

Critical Skills 10x salary (?)

Solutions to Grow Talent Engaging Employees

- Companies that use or have used professional coaching for business reasons have seen a median *return on investment of seven times their initial investment*.
- The ability to identify high-potential personnel *supports succession planning,* increases management readiness, and reduces the risk associated with an unexpected loss of key executives.

• Two Factors top the list of satisfaction drivers for employees in nearly every

region of the world across every engagement level,

"Career Development Opportunities and Training and "more opportunities to do what I do best."



A Case Study with VEOLIA ENVIRONMENTAL SERVICES

LEADERS OF TOMORROW



WHO: The Largest Environmental Solutions Company Worldwide

WHAT: Leaders of Tomorrow: A Talent Alliance™ program branded specifically for Veolia

- 360 degree assessment and feedback
- Investment in key emerging leaders to enable competency-based learning
- Encouraged use of technology as a learning resource
- Retention of key talent and future leaders
- Addresses the challenges of critical knowledge retention and skill transfer





Key Business Objectives:

- Provide 360-degree feedback on job performance to key Veolia employees by soliciting anonymous ratings from colleagues who know them best.
- Invest in key emerging leaders within Electronic Recycling Group to enable career development and learning of new competency-based skills.
- Retain key talent and future leaders.
- Use VeoliaQuickCoach more fully as a self-directed competency-based learning resource.





Program Roles

EMPLOYEE Owns his/her development

MANAGER | Supports the employee's development

COACH | Provides guidance to help the employee develop, using the Talent AllianceTM process





RESULTS

"By empowering employees to take control of their careers, we've actively engaged them in performing better in their current roles while also focusing their attention on their future with Veolia..."

> - Michael Loeffel Veolia's Director of Learning and Development





COMPETENCY

Continuous Improvement Approach



GOAL STATEMENT

Combine the local level perspective with a big picture approach in understanding the implications of business decisions.

CAPSTONE ACTIVITY

Gathered data from vendors, looked at sharing resources across the organization and identified factors that impact pricing.

RESULTS

Uncovered \$500,000 in savings based on improved purchasing practices.



Reduced costs, gained consistency in practices and resources, increased efficiency and significantly impacted profitability.



COMPETENCY

Knowledge of Key Players



GOAL STATEMENT

Start building strong and lasting relationships with key peers involved with the approvals process at our eight main disposal facilities.

CAPSTONE ACTIVITY

Reached out to the eight disposal facilities, determined contacts and met all key representatives. Developed a searchable approvals database for use by those without system access.

RESULTS

Built long distance relationships with contacts and customers determining specific and innovative communication mechanisms for each contact.



ROI

In one geographic area, reduced required emails and increased efficiency of turnaround request approval time by decreasing approval cycle time by 3.5 - 5 hr/wk.

COMPETENCY

Strategic Vision



GOAL STATEMENT

Create a future talent pipeline and position the company as an "Employer of Choice," leading to a sustainable pipeline of future talent for the company.

CAPSTONE ACTIVITY

Designed and implemented an internship program, including full lifecycle talent acquisition and on-boarding process, with a local university that offers an industry-related program.

RESULTS

Achieved leadership buy-in and began inaugural rotation in Spring 2013.

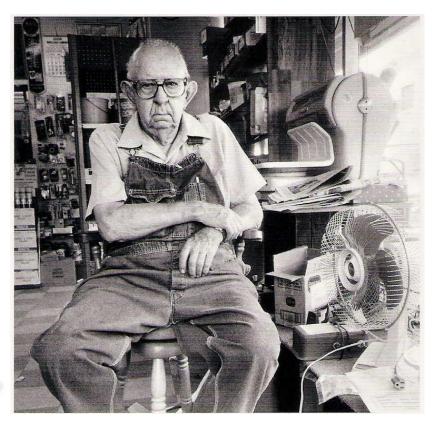


Anticipated impact:



- reduced recruiting costs
- improved quality of hires
- positive visibility of the company in the community

Any Questions?





QUESTIONS?

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