

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

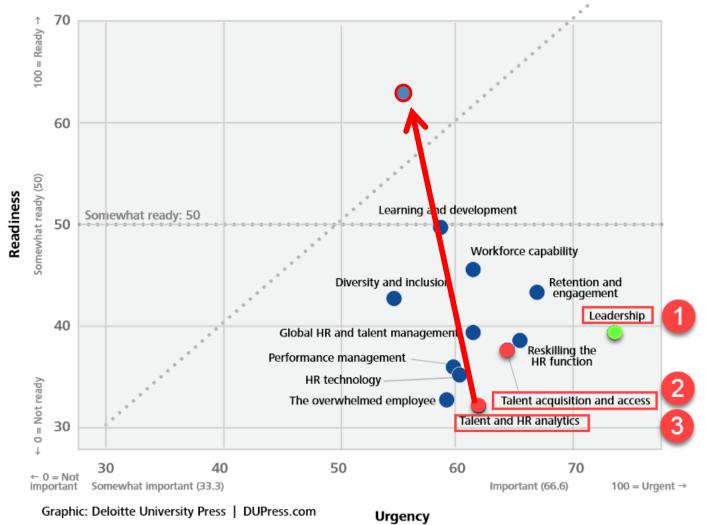


Polling Question #1

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

Where to Start?

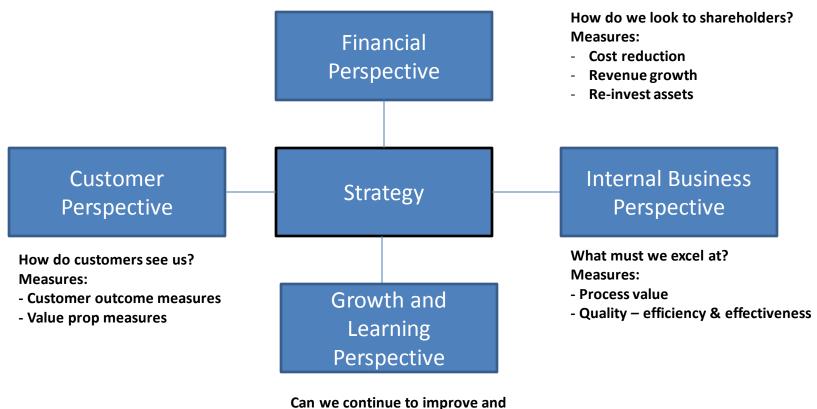


The Strategy Question

We must ask the business <u>what is important</u> 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



. create value? Measures:

- EE's with skill and motivation
- Re-use / mobility

Polling Question #3

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

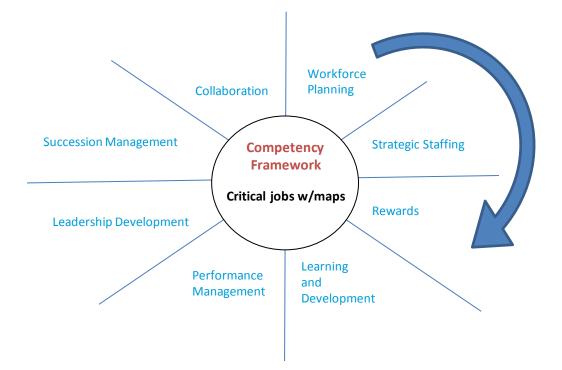
- a. Yes
- b. No
- c. Not sure

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.

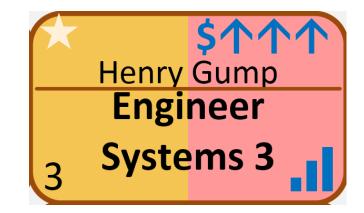
- 40% companies believe this is the most important metric.
- Only 32% believe they are managing it well.

• **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.
 - o 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

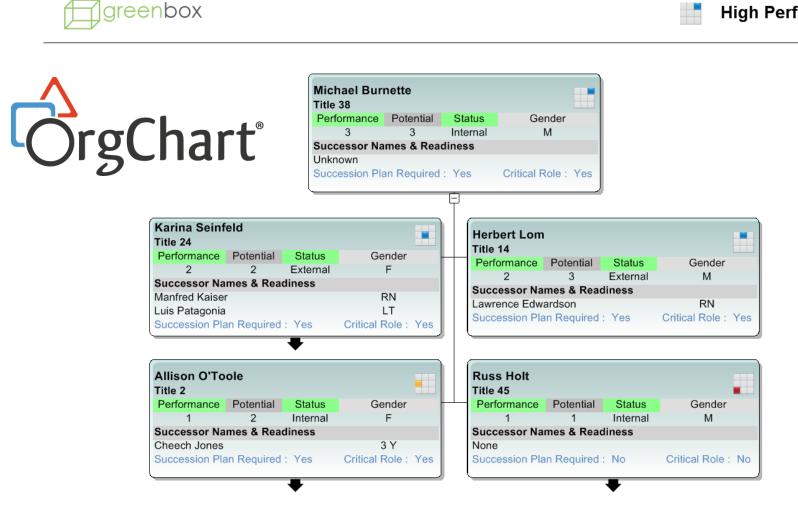
- Visualizing the strategy
- Seeing the gaps
- A clear view of your talent
- A standard for seeing skills across the organization





Visualizing Skills

High Performer



Succession Plan 2017

OfficeWork Software, LLC

Workforce Modeling

	1				Employee Name	Title	Salary	Date_of_Hire	Age	Rating	Ready Now
		Helena Smith			OPEN	Assistant Manager	\$75,000			NA	Outside Hire
					Janie Mumford	Accountant	\$72,000	7/5/2003	45	Meets	Leaving
					OPEN	Finance Manager	\$90,000			NA	Outside Hire
					Robert Frye	Actuary	\$110,000	7/4/2004	45	Meets	Leaving
		Headcount 575 Key Employee Yes		Sandy Frazier	Pricing Analyst	\$55,000	7/3/2010	45	Meets	NR	
		Bench Strength 4			John Broekhuizen	Technical Writer	\$53,000	7/3/2010	33	Meets	2 Years
			_	-	Paul McManis	Product Designer	\$55,000	7/3/2010	45	Meets	NR
Glen E. Fortinberry				Arlo Guthrie	Product Developer	\$50,000	7/4/2004	45	Does not meet		
		Clarence Chester Jar		Mari Pringle	Product Manager	\$58,000	7/4/2007	39	Meets	NR	
					Gerry Smith	Designer	\$150,000	7/4/2004	44	Exceeds	Now
				Terry Moore	Interface Specialist	\$33,000	7/4/2004	34	Exceeds	Now	
Director o Headcount	f Finance 575	VP Human Resource Headcount	575	Headcour	Tina Fritcher	Marketing Specialist	\$71,000	7/4/2005	51	Exceeds	Now
Key Employee Bench Strength	Yes 1	Key Employee Bench Strength	Yes 0	Key Employ Bench Stre							
			1		-	1		1		_	
Dan Tobler Project Manager		Arlo Guthrie Product Developer				Gregory Hokum Advanced Engineering		Butch Santoni Product Designer			
ars in Role	2 Years	Years in Role	4	Years	Years in Role	6 Years	Years in Rol	e 7Ye	ears		
rior Experience Years in Job		Prior Experience Years in Job		Prior Experier	Prior Experience Years in Job		Prior Experience Years in Jo		d		
usiness Analyst 3 Years		PA 1 Year		College Hire	College Hire		Customer Service 2 Years				
oject Manager	1 Year	Customer Service	e 5	Years			Test Lab	1 Ye	ear		
AO Manager	1 Year	1					N				

Visualizing the Talent Gaps

PX ENRICHMENT

81 FTE

Debbie Durr, PM

	Engineering & Installation	Program Management & Support	Logistics & Warehouse	Engineering & Installation / Logistics & Warehouse
MGT	Upth Feldon Sect Mgr, Sys B Eng 11 4 Manager 11	Program Manager	Steve Section Section Mgr, 3 Logs 1	John Morow Section Mgr, 4 Logs 1
Lvl 6			Carrie Sanano NA	
Lvl 5	Harry Remoert PX Eng Tech 5 3 Systems 5 4 State PX Eng Tech 5 5 Systems 5 4 State PX Eng Tech 5 5 Systems 5 4 State PX Eng Tech 5 5 State PX Eng Tech 5	Viet Diney Contract 2 Admin 5 41 2 Admin 5 41	zenin Chen Charles Charles Charles PX Eng Tech 5 NA 3 il 2	
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KE	Full Time Part Time Sub Co.Name Vacancy Diversity Flight Risk Diversity Bright Risk Bid On New Contract	☆ Top Talent Institutional Knowle ● Critical Skills < One Year	Store Slightly Below Average Store Below Average Store Slightly Below Average Slightly Below Average Store	ge 3. Acceptable performance within position, sufficient customer

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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