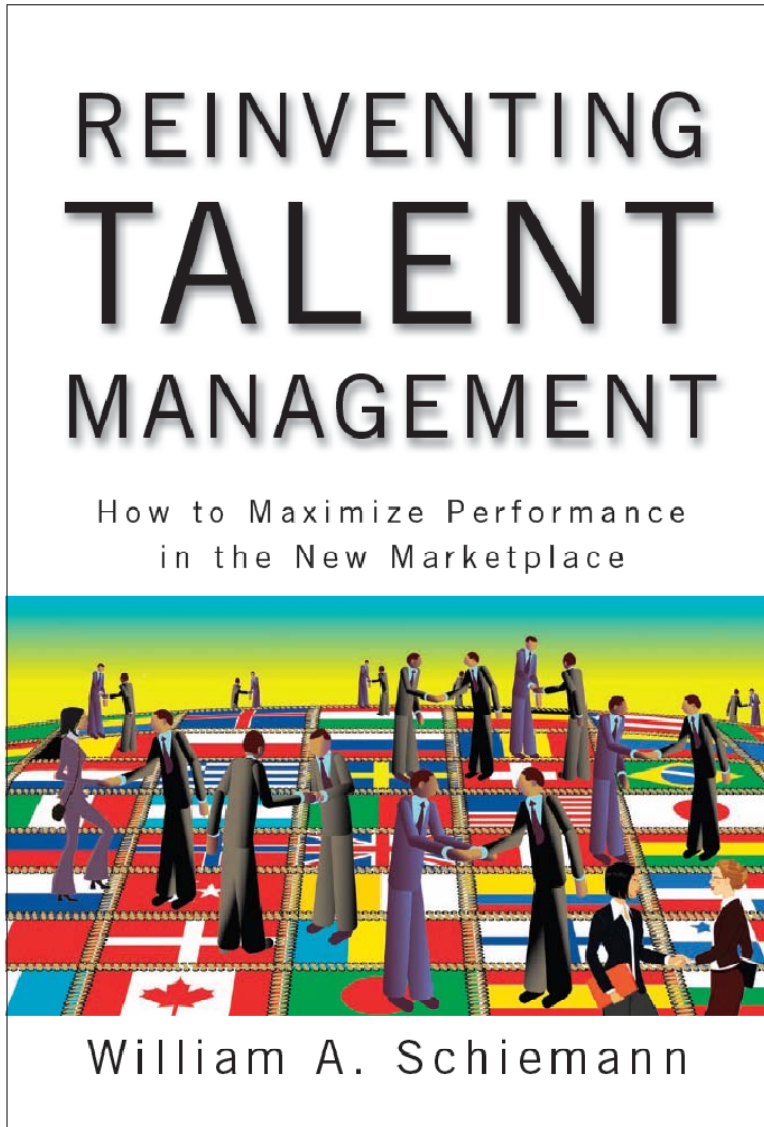


Reinventing Talent Management: Recovering from the Recession



Reinventing Talent Management is an outstanding blend of research and practice. It reports compelling research on the value of investing in talent and offers specific recommendations and offers specific guidelines for those wanting to upgrade their people management skills.

Dave Ulrich
University of Michigan

Co-published by:



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Four Acts

1. Trends

2. The Value Proposition

3. Three Powerful Factors

4. Implications for You



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Act One



The Times They Are A-Changin'

- 1. Global competition**
- 2. Insufficient talent in the right places**
- 3. Technology—speed, transparency, connections**
- 4. Managing diverse workforce in diverse places**
- 5. Value and its measurement driving most decisions**

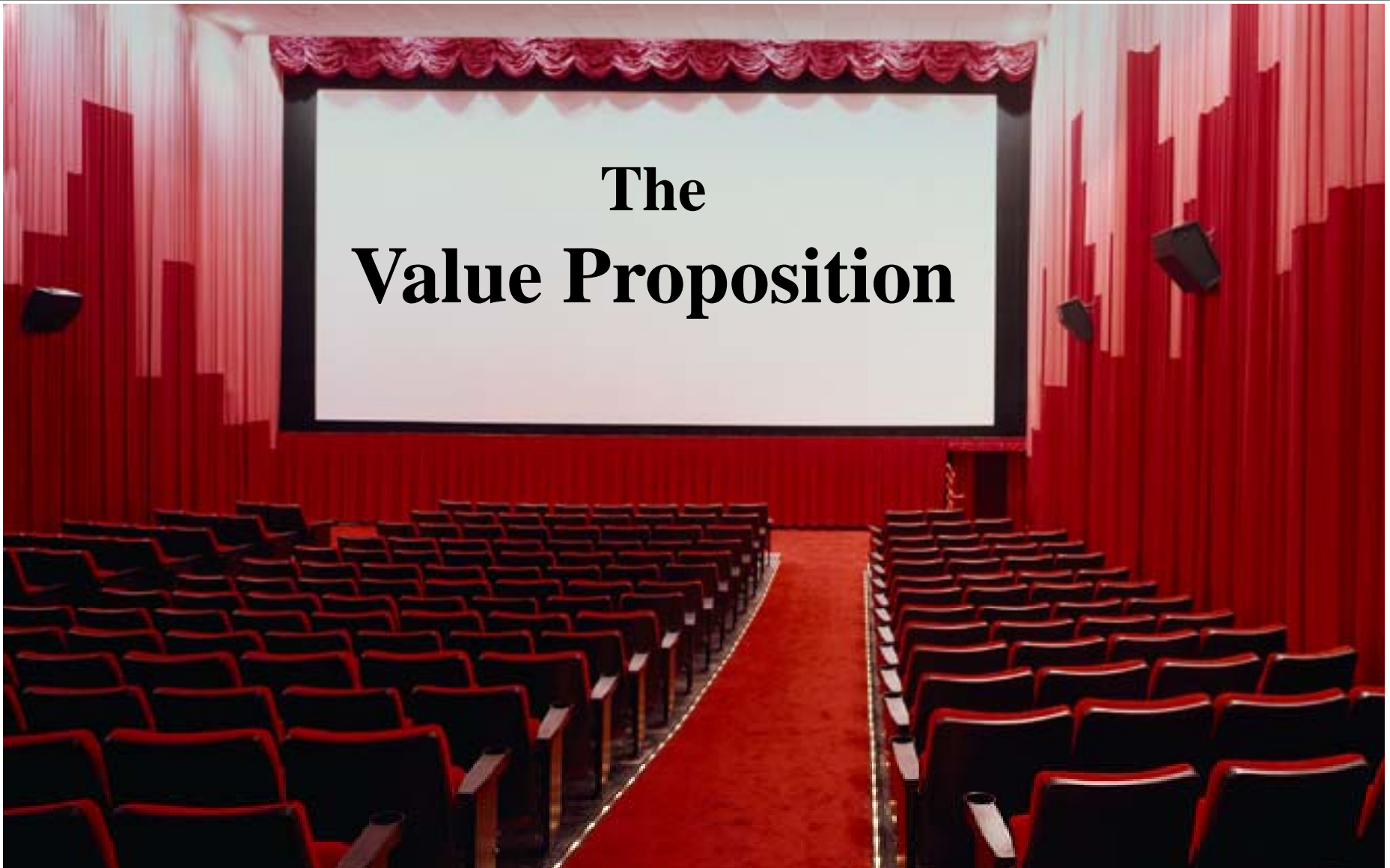


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Implications: Preparing for Recovery

- Perceived Value is making or breaking every organization
- Need to have a clear business strategy
 - What makes you different from your competitors?
- Supported by a clear people strategy
 - Why do you deserve to get and keep the best talent?
 - How will you optimize your talent?
- Enabled with good strategic metrics
 - How will you know if you are optimizing your talent?

Act Two



Value Equals...

Quality of Relationship/Service
Cost of Relationship



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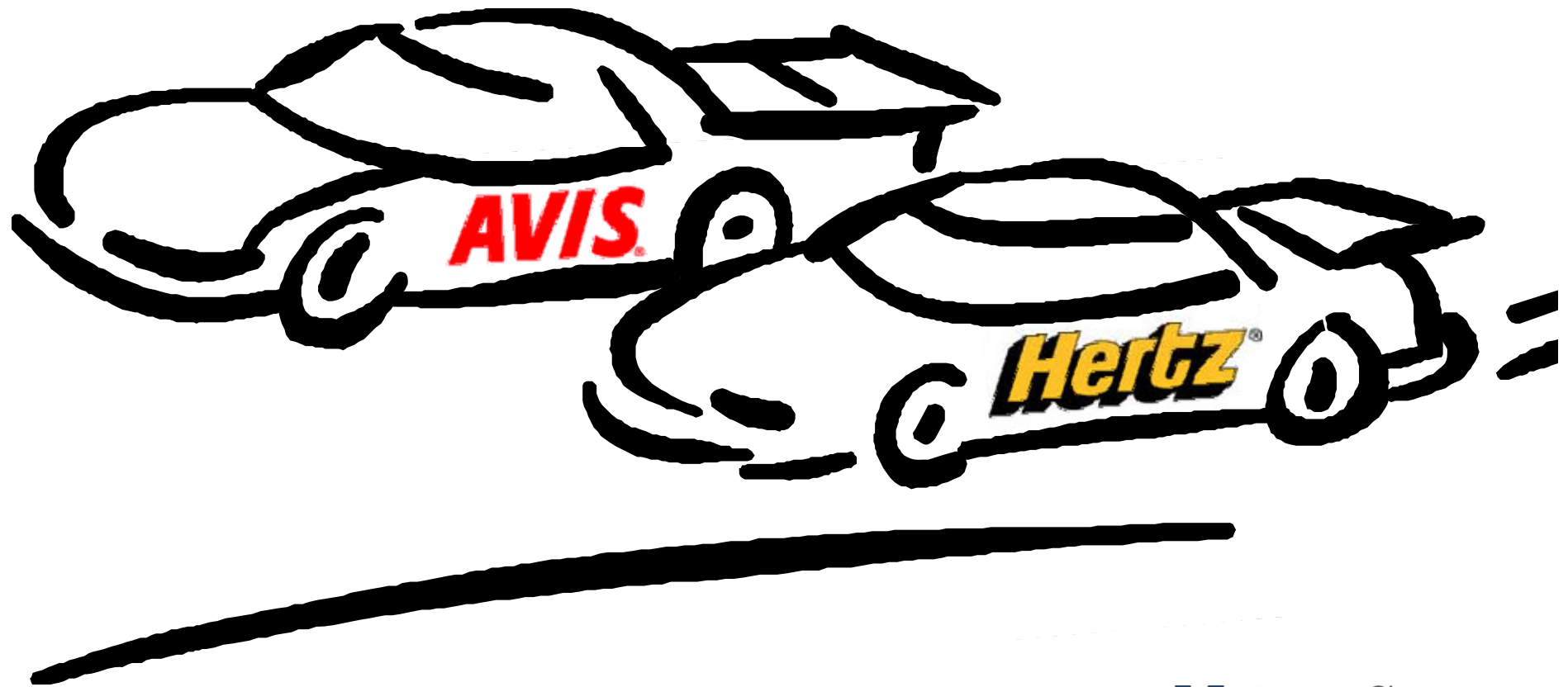
What's Your...

Value Proposition?

e|Harmony®



What Led to the Differences?



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Winning Begins with Values



Our Vision & Mission

“We will lead our industry by defining **service excellence** and building **unmatched customer loyalty**. We will ensure a **stress-free** car rental experience by providing **superior services that cater to our customers’ individual needs** ...always conveying the ‘We Try Harder®’ spirit with knowledge, **caring and a passion for excellence.**”



Our Mission...

...to be the **most customer focused, cost efficient** vehicle and equipment rental/leasing company in every market we serve.

The focus of everything we do will be on **continuously improving shareholder value.**

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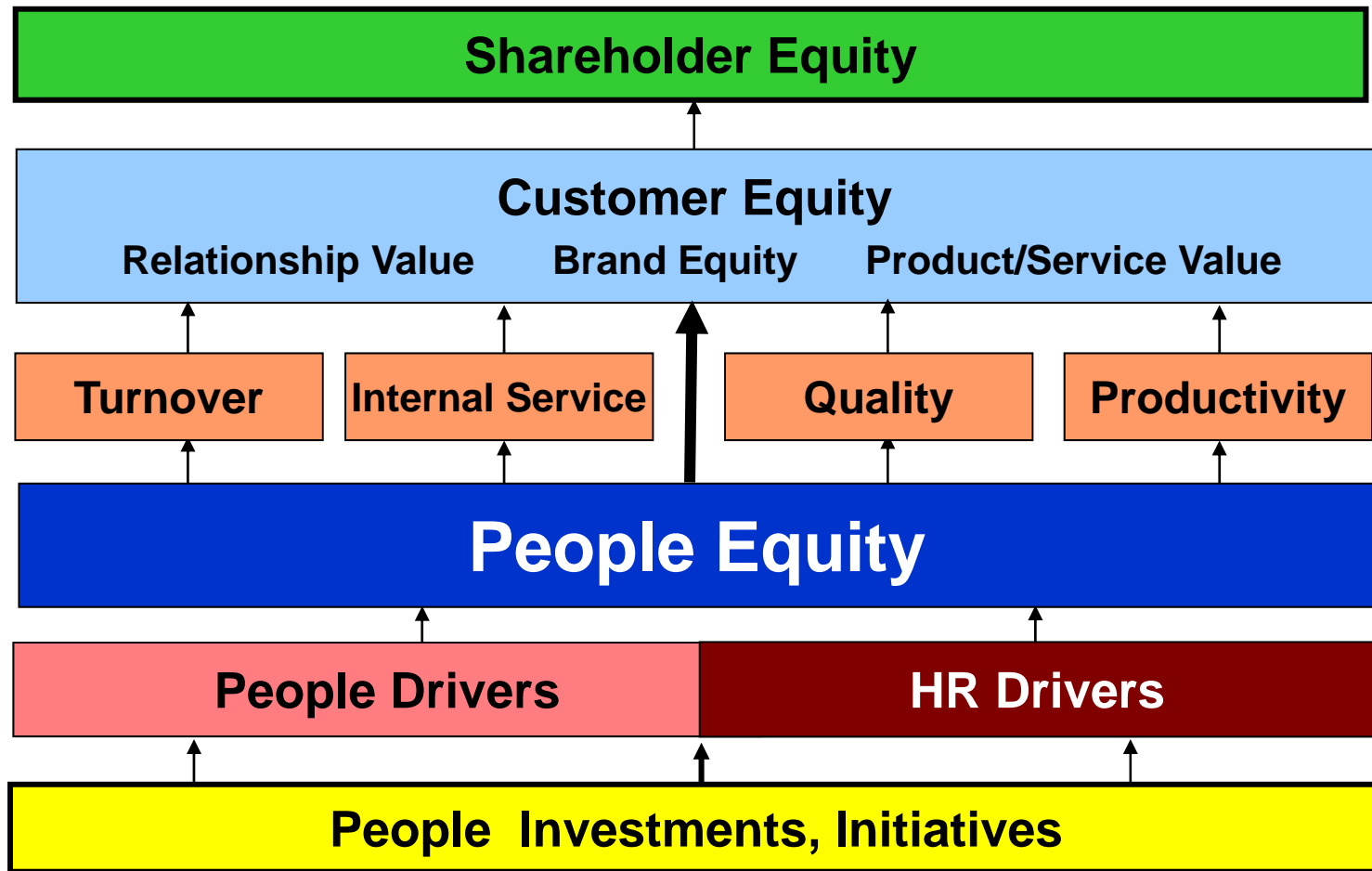
Different Strategies, Different Measures

POSSIBLE PEOPLE MEASURES	Cost Leader	Innovation Leader	Customer Intimacy
<p>What Values?</p> <p>What Competency?</p> <p>What Engages?</p>	<ul style="list-style-type: none"> • Values: <ul style="list-style-type: none"> • Efficiency • Cost analysis • Task fulfillment 	<ul style="list-style-type: none"> • Values: <ul style="list-style-type: none"> • Autonomy • Idea generation • Creative fulfillment 	<ul style="list-style-type: none"> • Values: <ul style="list-style-type: none"> • Empowerment • Customer knowledge • Service fulfillment

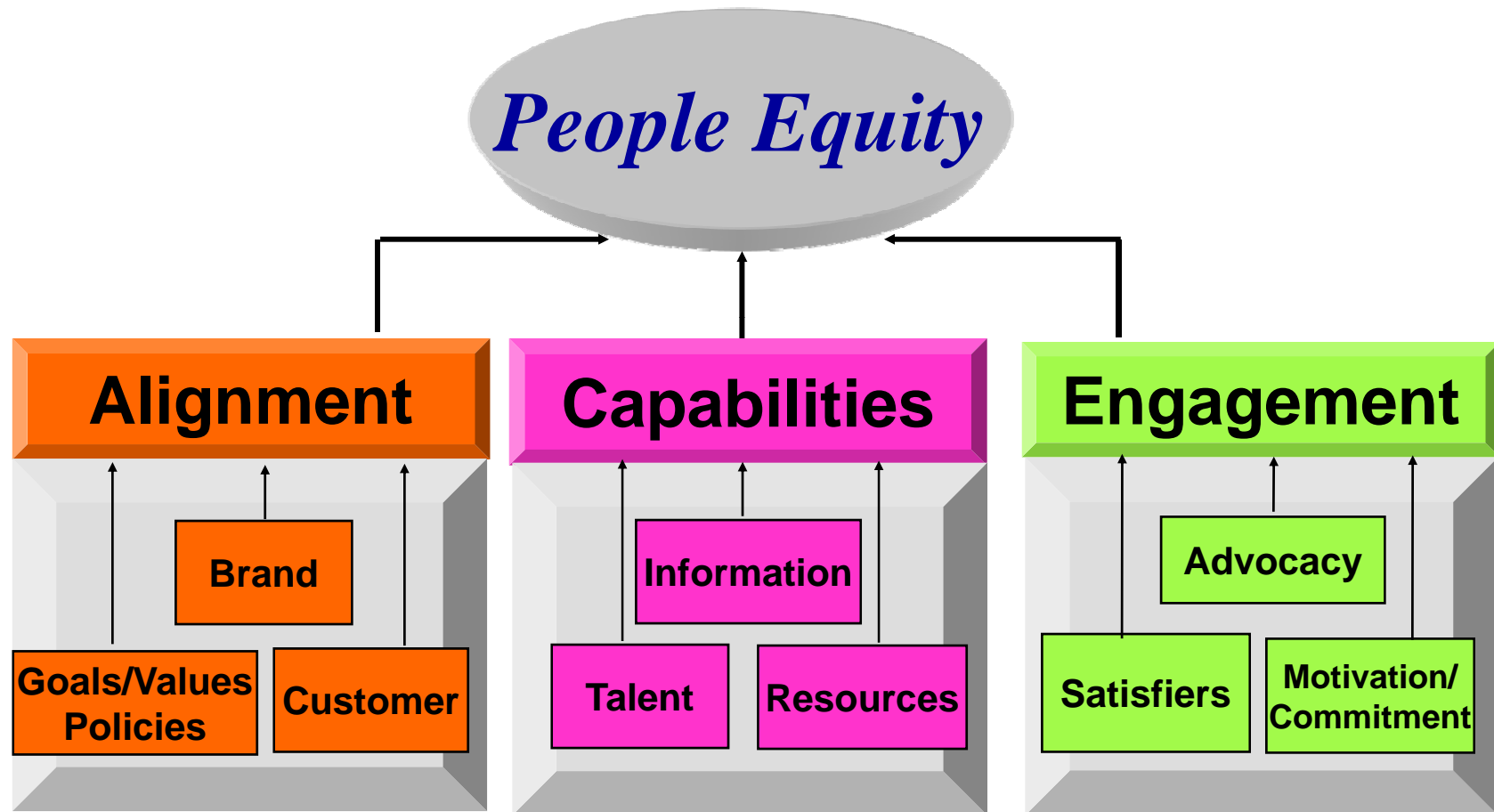
Act Three



People Equity is Key Driver of Shareholder Equity

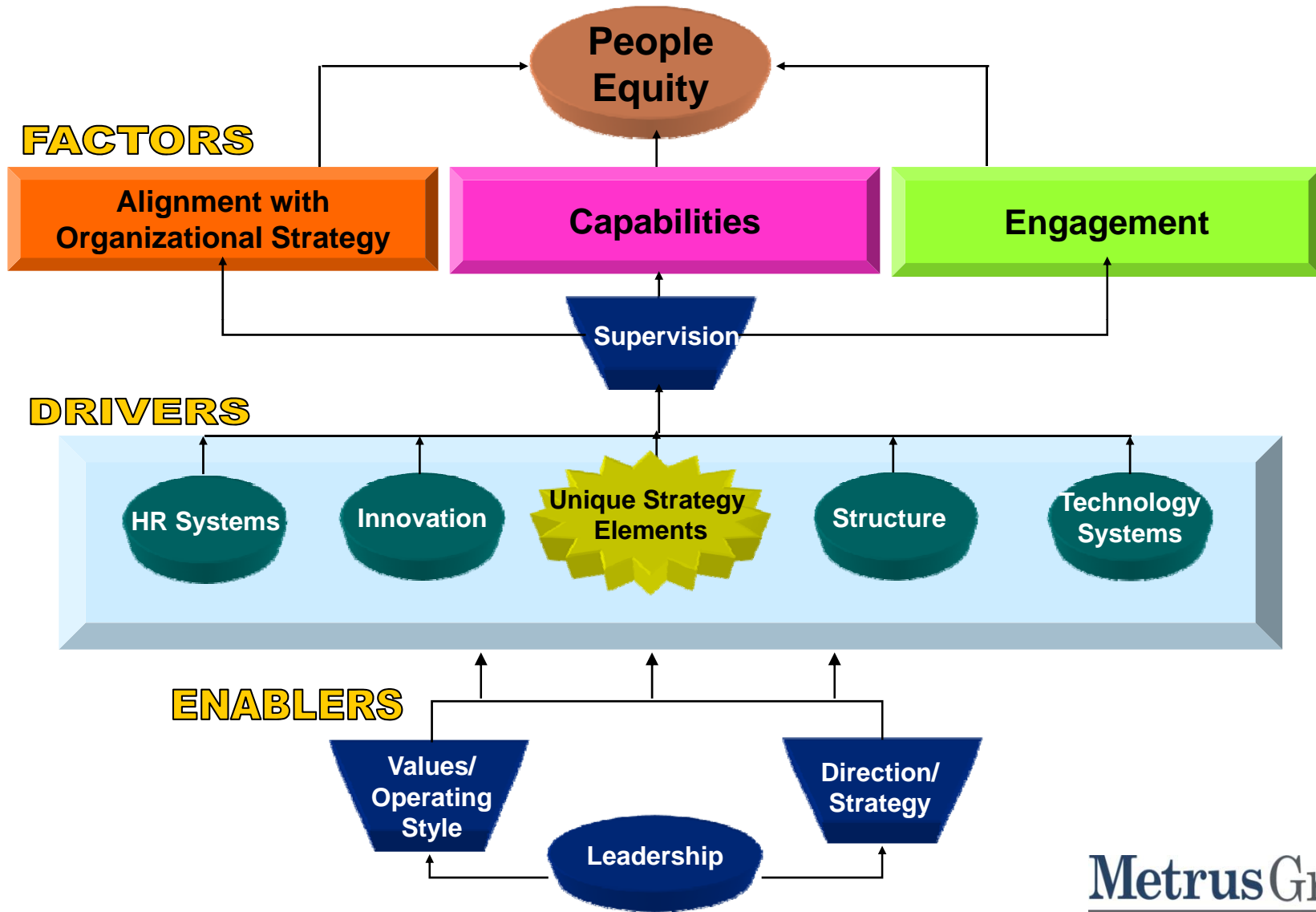


The People Equity Model



Is People Equity Manageable?

Drivers & Enablers of People Equity

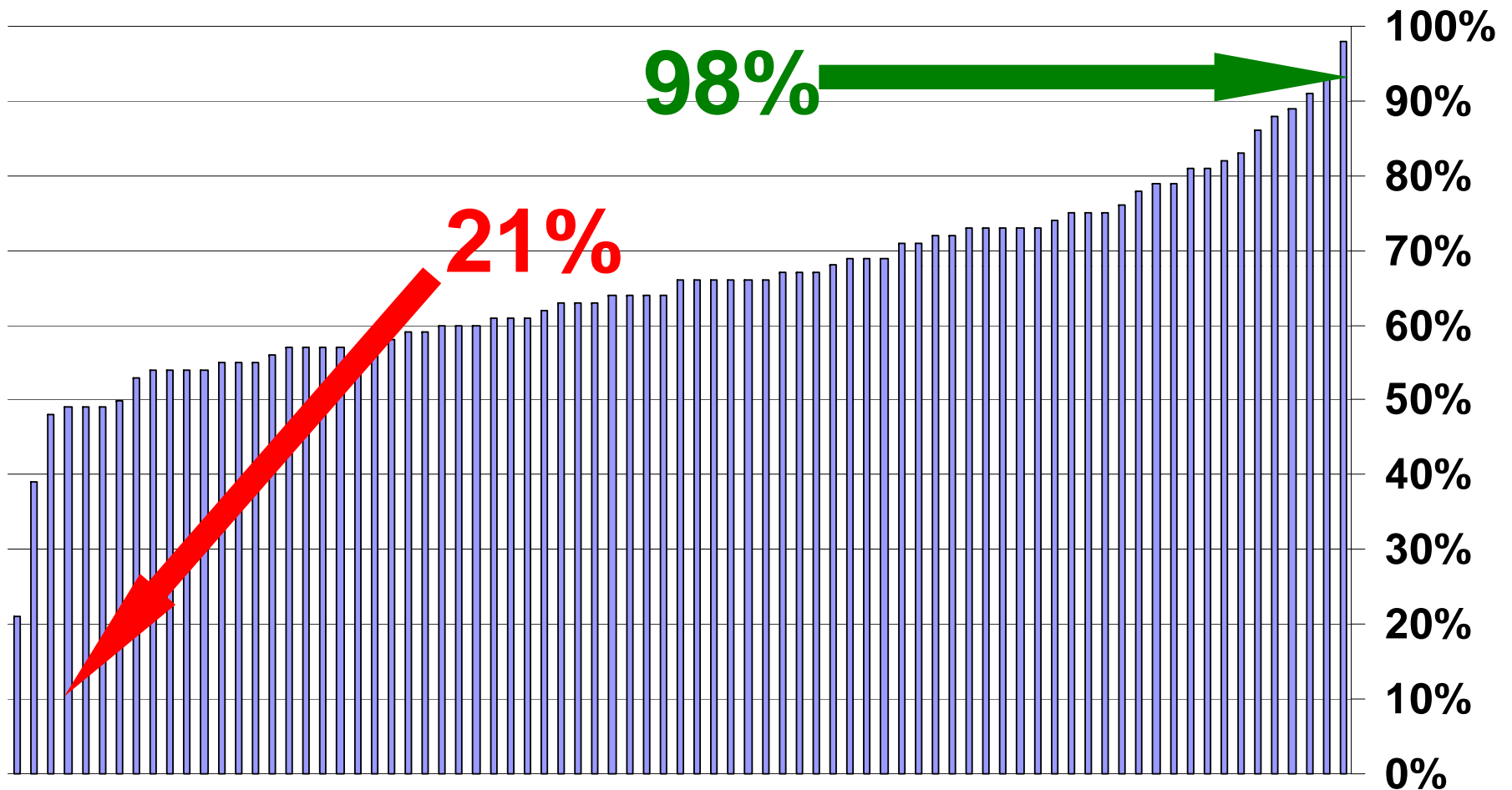


People Equity: Can ACE be Measured?



Does PE Vary Across Organizations?

Hospital Scores: Life or Death?

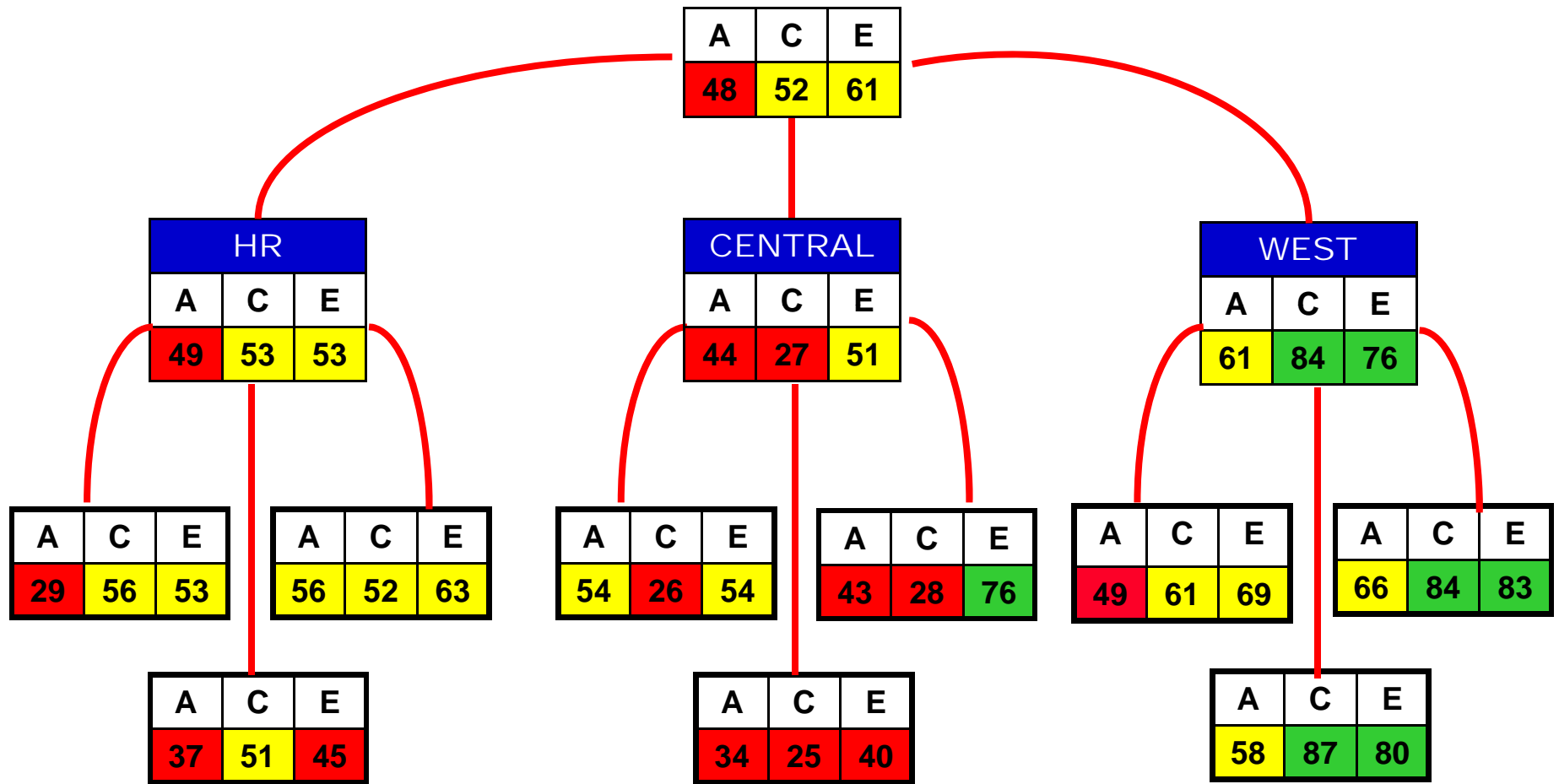


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Eight Major Profiles: Require Different Actions

Alignment	Capabilities	Engagement	Profile
↑	↑	↑	Superior Performance
↓	↓	↑	Cheerleader
↑	↓	↑	Under Equipped
↓	↑	↑	Strategic Disconnect
↑	↑	↓	Under Achiever
↑	↓	↓	Indifferent
↓	↑	↓	Talent Waste
↓	↓	↓	Performance Laggard

Does People Equity Vary Internally?



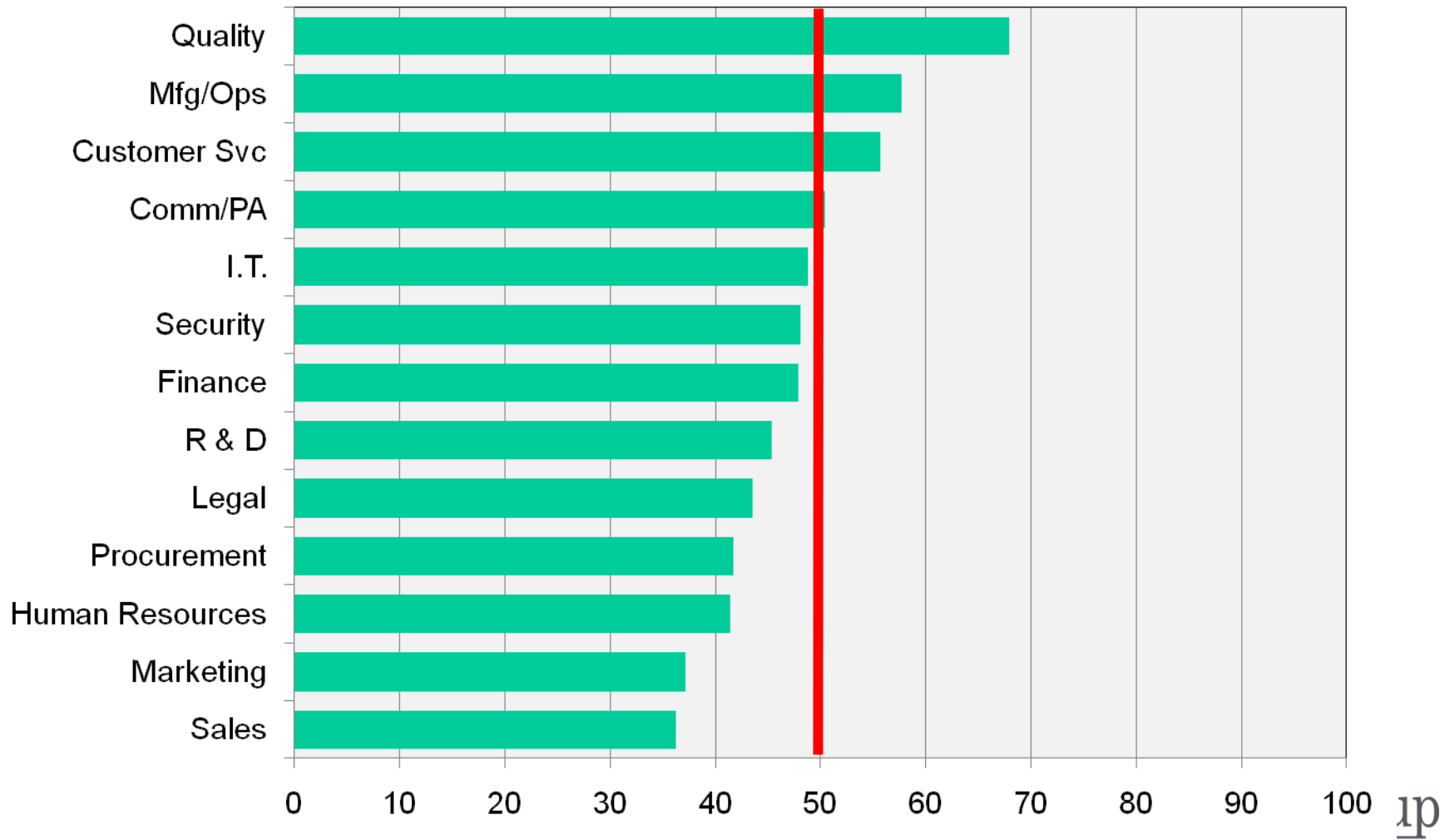
A - Alignment C - Capabilities E - Engagement

Red = Trouble Yellow = OK Green = Strength

Service-value Chain Extends Internally

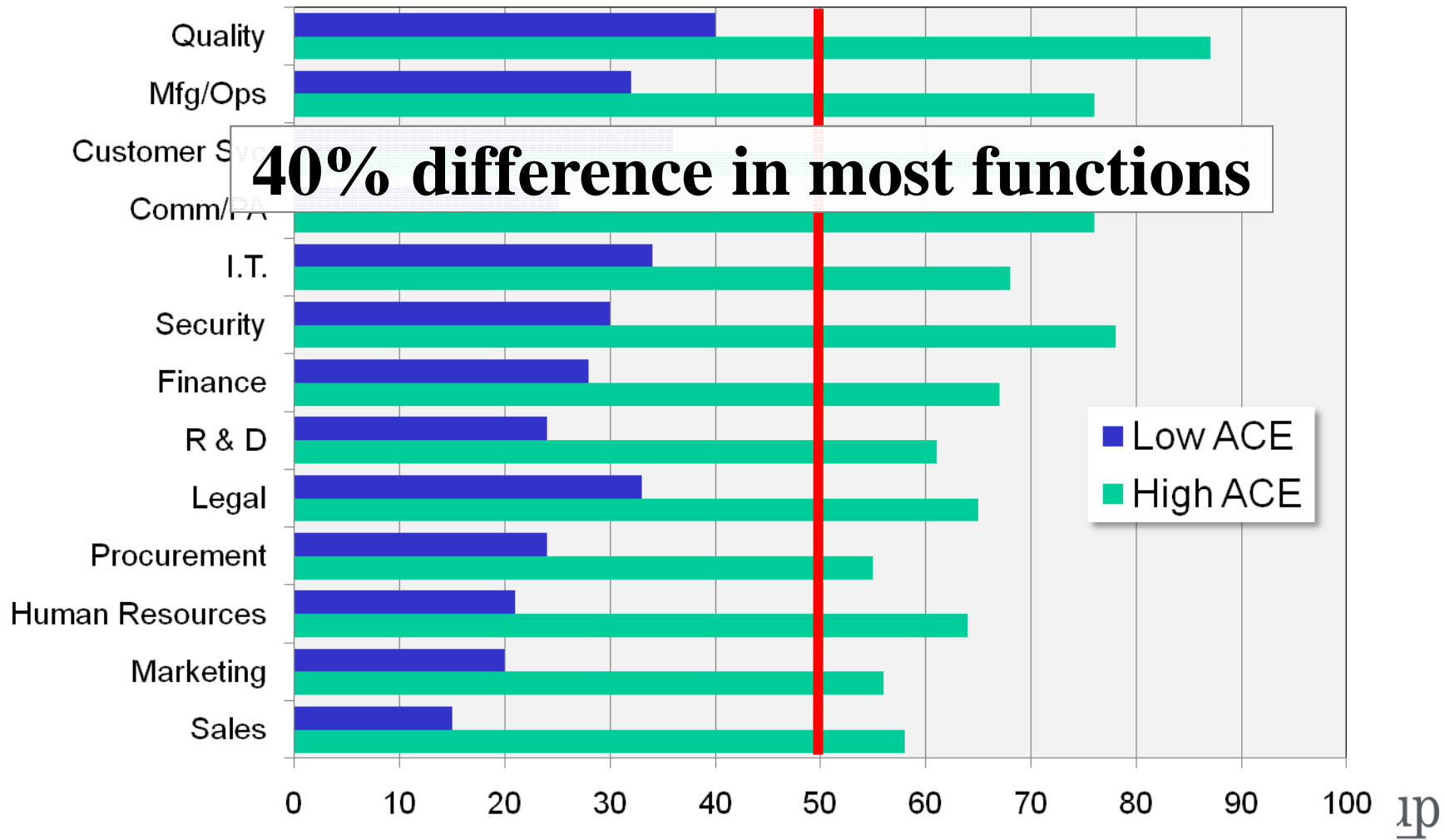
Internal Service Lower than Expected

Percent Favorable Ratings



Does People Equity Affect Internal Service?

Percent Favorable Ratings



Does People Equity Makes a Difference?

Metrus Institute Research

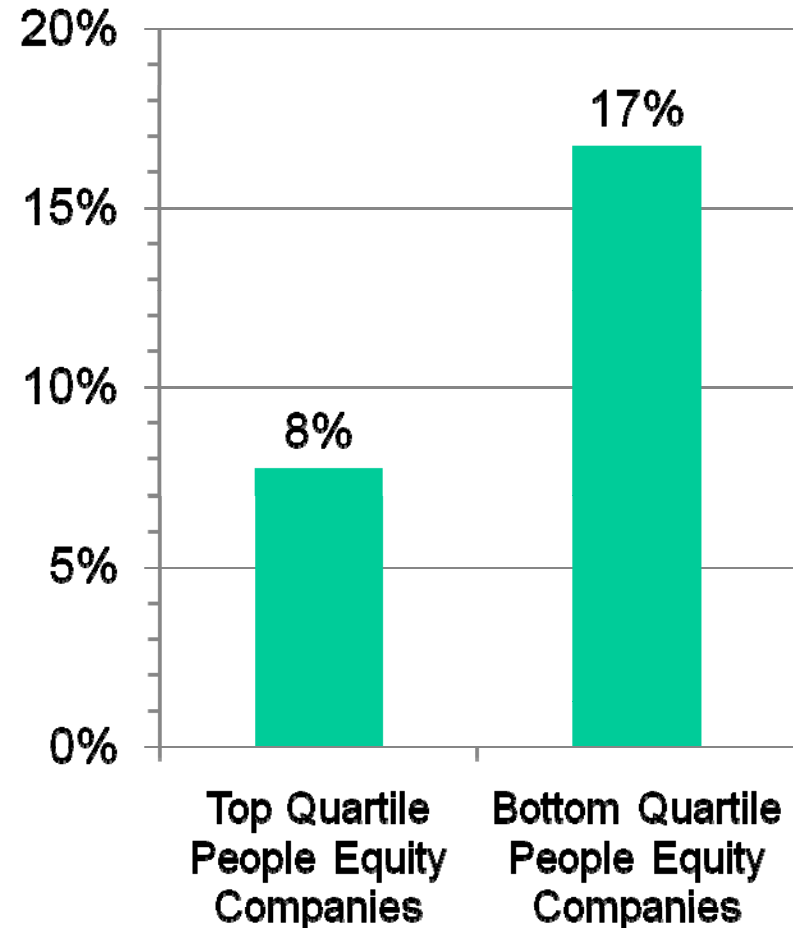
Companies with high ACE

- ✓ Averaged half the turnover of low ACE companies
- ✓ Were **3x** more likely to be quality leaders in their industry
- ✓ Were **2x** more likely to be financial leaders in their industry

Sources:

Kostman & Schiemann, People Equity: The Hidden Driver, Quality Progress, 2005

Turnover



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Facts You Can Take to the Bank

- Powerful factors in driving people and organizational performance
- Strong predictors of key outcomes: financial, quality, customer, retention, value
- Can be measured
- Lots of variance
- Can be managed and optimized
- Good indicator of success of people investments and processes—ROI
- Clear link to internal service

A Few ACE Implications

- Can't manage if it isn't *measured* throughout talent lifecycle
 - Predictor, reflector and strategic indicator
- *Focus* actions and investments that increase ACE
- Similar HR processes *DO NOT guarantee* same ACE scores
- Stop “one-size-fits-all” programs
- Active analyses of *drivers and enablers* increases ROI
- Provides framework for *optimizing* talent investments

Act Four



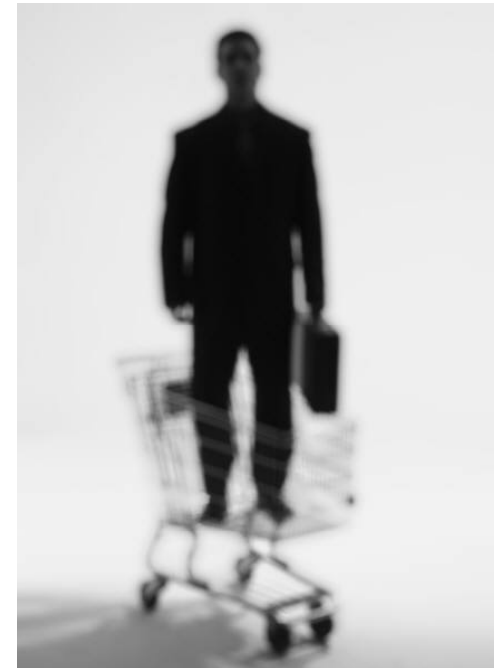
ACE Thinking Strengthens TM Decisions



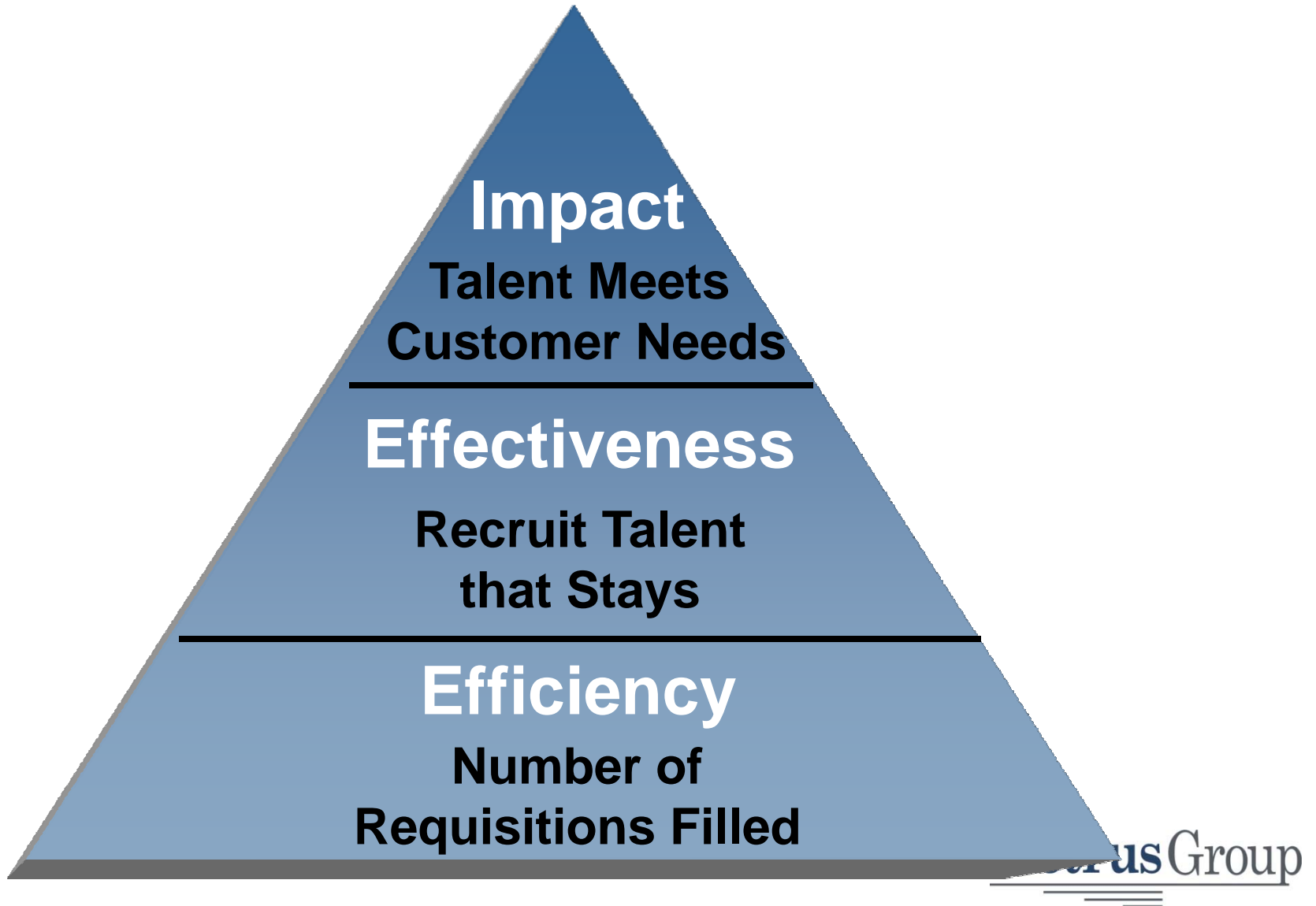
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Acquiring Talent More Strategically

- **Facts:**
 - Hiring costly and far from effective
 - Organizations historically best on C
 - Weakest on fit: A and E
 - Over-reliance on the interview
- **Potential Actions:**
 - Cost: Screen for knock-outs early
 - Interview: Increase training/reduce weighting
 - Metrics: Get rid of bad/weak metrics



Types of Metrics



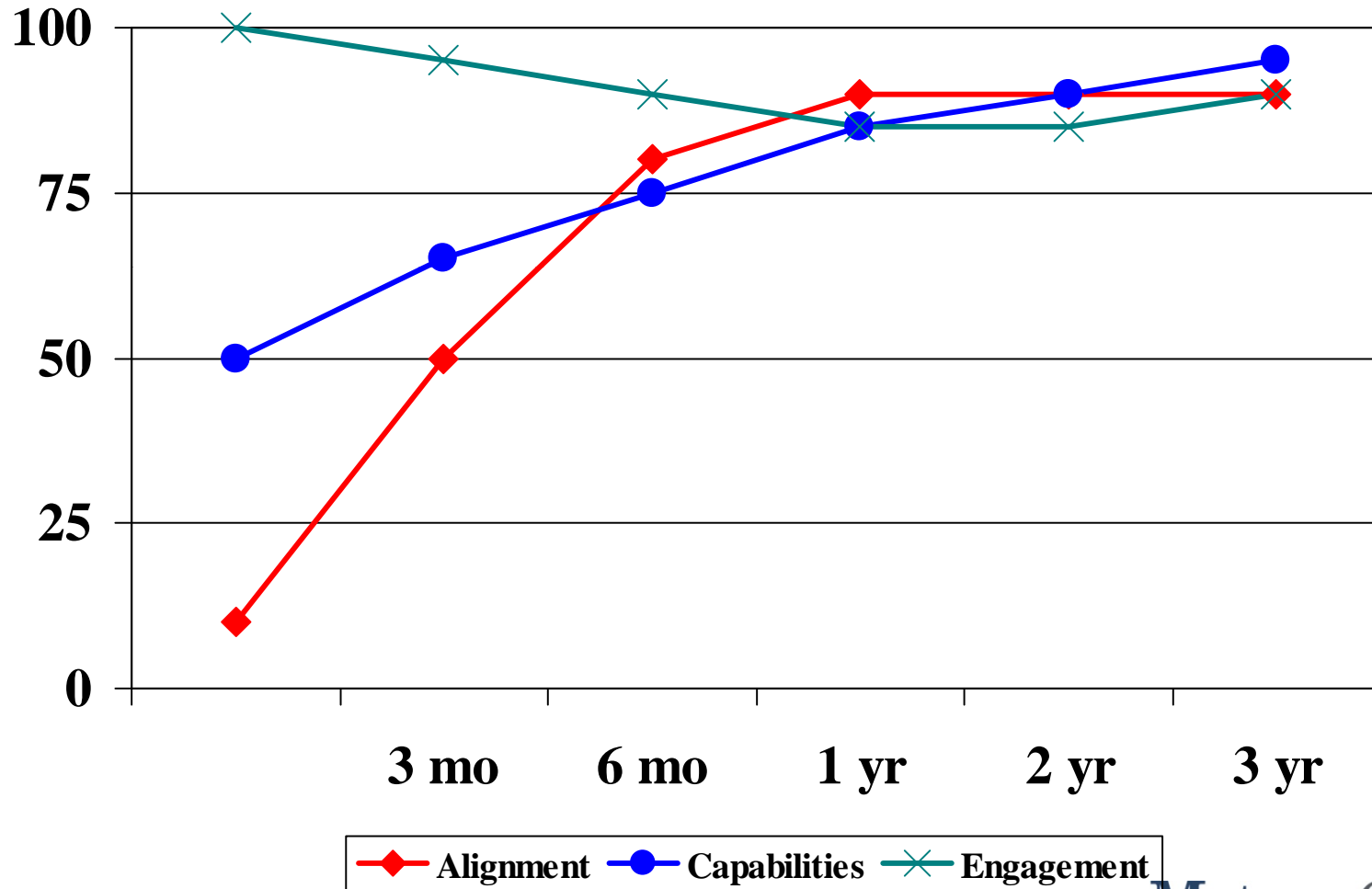
On-boarding Talent

- Facts:
 - Acculturation as a goal is often missed
 - Most firms weak in practices or measures
 - Most weak on evaluating training impact
- Potential Actions:
 - Acculturation starts BEFORE hire
 - Training evaluation—measuring impact?
 - Track ACE/similar of progress/gaps



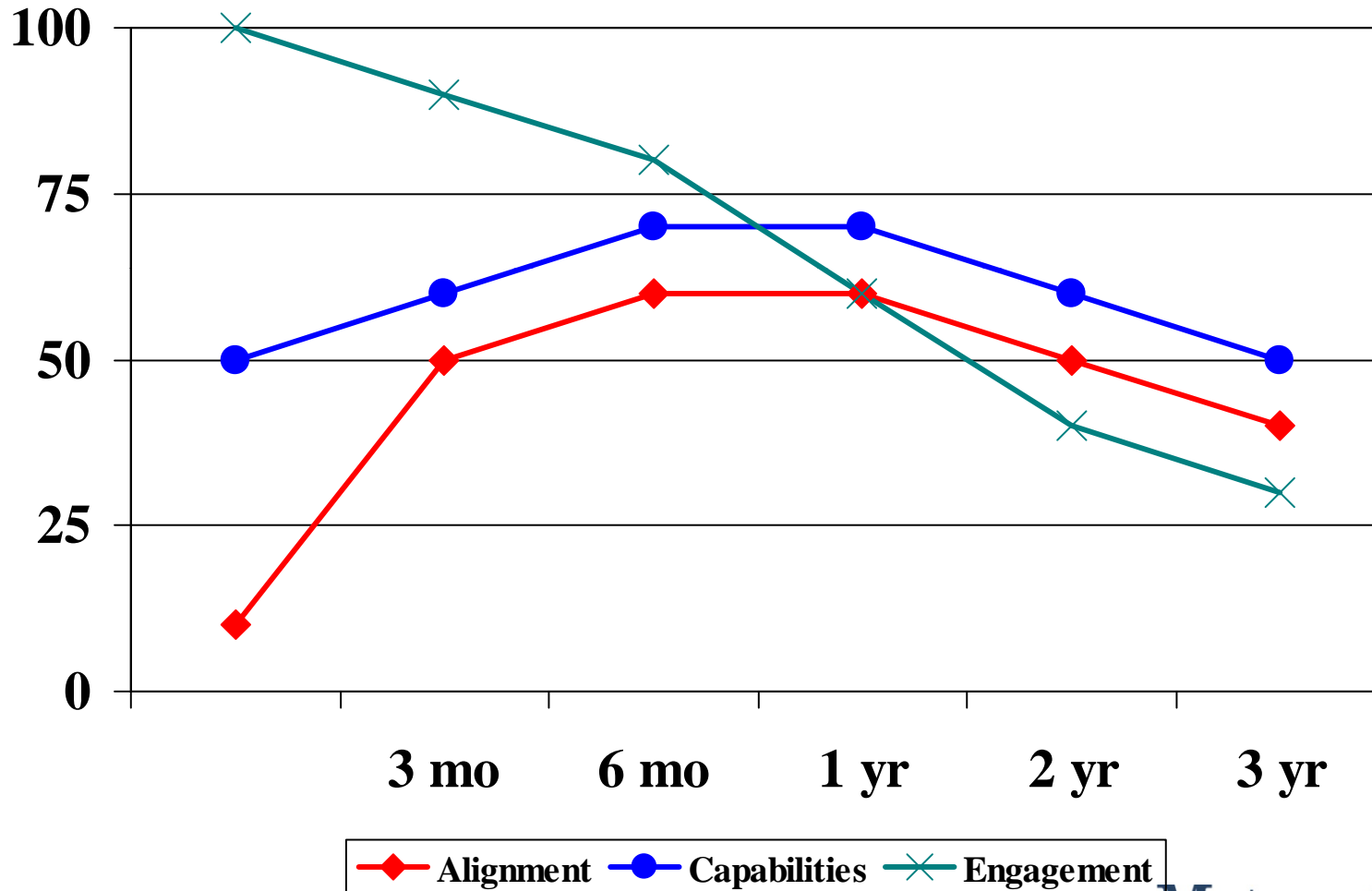
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Typical High People Equity Profiles



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Typical Low People Equity Profiles



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Rethinking Performance Management

- Facts:
 - Performance Appraisals often cause more damage than value
 - Lack of discipline or desire
 - Too complex
 - Not helping development
 - Rarely tracked/evaluated for impact
- Potential Actions:
 - Define purpose clearly
 - Separate from development
 - Avoid annual event linked to pay



Developing Leaders

- Facts:
 - Performance: “What” strong; “How” weak
 - Skills: Technical strong; people weak
 - Lots of variance on A, C, & E capabilities
 - Talent decays, or leaves
 - Over or under-developing
- Potential actions:
 - Don’t forecast; develop JIT fast track
 - Stronger measures
 - Place talent in <10 months
 - Teach ACE holistically

Retention During Recovery

- **Facts:**
 - Too many high performers escape
 - Turnover far more expensive than most realize
 - Real reasons for exit poorly identified
- **Potential Actions:**
 - Create sticky environments
 - Assess beyond the exit interview
 - Use better predictors & more conversation
 - Calculate ROI on retention interventions



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A Call To Action Checklist— Adopt a New Mindset

- Does our **Strategy** differentiate People Requirements?
- Do we have a strong **People Strategy, Scorecard?** A-jobs?
- Have we optimized **People Equity (Alignment, Capabilities, Engagement)?**
- Have the **right strategic measures?** (e.g., ACE and its **Drivers**--not just Engagement or Satisfaction)?
- Are **A-players** in A-jobs?
- Resources** allocated strategically?
- Applying new thinking to **overall talent lifecycle?**

to

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Great Sources for Additional Information

- ***Reinventing Talent Management: How to Maximize Performance...***
 - Schiemann, John Wiley & Sons, 2009
- **Internal Customer Service: Has it Improved?**
 - Seibert & Lingle, *Quality Progress*, March 2007
- **The Workforce Scorecard: Managing Human Capital to Execute Strategy**
 - Huselid, Becker, Beatty, Harvard Business School Publishing, 2005
- **People Equity: The Hidden Driver of Quality**
 - Kostman and Schiemann, *Quality Progress*, May 2005
- ***Bullseye! Hitting Your Strategic Targets...***
 - Schiemann & Lingle, Free Press, 1999
- **The HR Value Proposition**
 - Ulrich and Brockbank, Harvard Business School Press, 2005
- **People Equity: The New Paradigm for Measuring and Managing Human Capital**
 - Schiemann, *HR Planning*, April 2006, Volume 29.1

Thank You



About Metrus

Metrus Group is an industry leader in strategic performance measurement, assessment, and organizational change. For nearly twenty years we have partnered with the most successful – and challenging – organizations in the world to help them achieve superior, sustainable business results through the development of their People Equity and the creation of a high performance, measurement-managed culture.

Our Services Include:

- **HR Strategy, Value and Performance Metrics**
- **People Equity Assessment & Solutions**
- **Balanced Scorecard/Dashboard Design and Assessment**
- **Development of Quantifiable Performance Metrics**
- **Employee Surveys and Linkage Research**
- **Leadership Development and Training**
- **Corporate Ethics, Alignment, and Accountability Audits**
- **Measurement-Driven Organizational Change**

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The logo for Metrus, featuring the word "metrus" in a stylized, lowercase font with horizontal lines underneath.