



On The Agenda



HR executives need to focus on company culture, employee engagement, and better decision-making in the coming year.

By Debbie Bolla

2015 is setting up to be an exciting but challenging year for human capital management—one that will require savvy maneuvering by skilled HR executives in order to attract, engage, and retain what truly makes the workforce thrive: talent. For the last few years, decision-making power has remained with organizations, but as economic confidence gains momentum, the job landscape will become a candidate's market in the coming year.

"2015 looks to be a robust year for job and hiring growth, which means that employees have options, unlike the recession, so the law of supply and demand will continue to shift inexorably toward the worker instead of the organization, particularly for highly skilled roles," explains Matt Charney, executive editor and head of content for Recruiting Daily. "We're already seeing this, of course, but I think that HR is finally going to realize that the days of hubris, the assumption that working for your company is a privilege, is finally going to catch up this year."

For organizations striving to get ahead of the curve, there will be a continued focus on developing and communicating culture. Company culture typically derives from the vision, mission, and values of organizational leaders—but it is also more. It's the manner in which an organization chooses to treat its employees and the environment it creates through communication strategies and perks. And it makes a difference. A recent Columbia University study reports that organizations with a strong company culture only have a 13 percent likelihood of turnover—compared to 48 percent where culture is low. Being an employer of choice has never been more important.

"Today's employee wants purpose in their work and a clear understanding of their role and its connection to the greater good," says Jenn Mann, vice president of human resources for analytics firm SAS. "They have higher expectations of leadership. This means organizations need to deliver on that by providing meaningful work with growth opportunities, a great work environment, and trustworthy leadership."

Kawel LauBach, senior vice president and CHRO for Mohegan Tribal Gaming Authority, agrees: "The single most important thing I am working on right now is properly communicating the fact that our organization is an employer of choice." Part of LauBach's strategy revolves around social media. "You need to really define the conversation instead of allowing the conversation to define you," he says.

LauBach's team gets out in front of social media channels, like Facebook, LinkedIn, and Twitter, to demonstrate the culture and values of the gaming and hospitality organization. It also uses its online career page to showcase its culture through a video clip that highlights its four core values. The website also features employee success stories and expanded areas that capture employee benefits and potential career paths. Such efforts have driven Mohegan Sun to be ranked the number four employer of choice among gaming/ hospitality executives in a survey conducted by Bristol Associates/Spectrum Gaming, up from the 10 spot. LauBach says their reputation "really helps with the quality of applicant and the size of selection ratio."

As organizations internally build their culture, hiring managers are also seeing the importance in finding candidates that will be a strong fit. Candidates that show the potential to live and breathe organizational values will outpace their competition.

"Cultural fit is critical," says Martha Soehren, chief learning officer and senior vice president for talent management at Comcast University and Comcast Cable. "Comcast is a fast-paced culture. We produce great products and really need for executives to get their hands into everything—the strategy and the tactics."

Targeted talent acquisition approaches that take into account not just technical abilities but also soft skills will lead to organizations having a greater understanding of potential cultural fit. Leveraging candidate assessments during the hiring process will also help in making the best decision.

"Organizations are looking at assessment tools to identify what it will take for a person to fit in their organization and if they are going to be successful in the long term," says Michael Moon, director of research, human capital management at Aberdeen Group, A Harte Hanks Company.

Active, engaged employees continue to be a main concern and the numbers don't lie: Highly engaged employees are 87 percent less likely to leave their companies than disengaged counterparts finds research from global management consulting company Hay Group. "It's still all about the right talent in the right positions," says Cindy Fiedelman, vice president of people and diversity at American Airlines. "No matter how you slice it, you need to have the right people run your business."

The 2013 Gallup study that reported 70 percent of the workforce was disengaged in their work really put the importance of employee engagement on the map.

In fact, Bersin by Deloitte finds that U.S. companies are spending \$720 million on employee engagement strategies annually. "We are always trying to understand the dynamic of motivation and what empowers team members," says LauBach.

Being in the services industry, LauBach finds that allowing employees to make real-time decisions to help alleviate problems with unhappy customers provides a sense of empowerment—driving a connection and loyalty to the organization. For example, the CHRO encourages employees to use their own judgment and offer a \$25 coupon to help repair a poor situation when necessary.

Other strategies include:

- *Career growth opportunities and the ability to learn new skills.* Employees won't choose to leave their jobs if they are given reasons to stay. "Employees want to learn and grow and stay challenged," says Laurie Zaucha, vice president of human resources and organizational development for Paychex. "Providing multiple ways for employees to stay challenged and develop new skills will help them from seeking opportunities with other companies."

Moon from Aberdeen says an effective way to communicate career opportunities is by leveraging internal mobility programs via company intranets. If organizations effectively promulgate open positions and managers strategically plan out succession options, employees will feel empowered to stay.

"At Comcast, senior leaders have a large focus on moving our talent in a way that improves our business," says Soehren. "This approach is organizing for a great talent space."

- *Effective communication.* After navigating a global merger between two major airlines, Fiedelman knows better than anyone else how important it is to of the process. Fiedelman recommends a multi-layered approach to communication, leveraging all vehicles: weekly emails, town-hall style meetings, and gatherings with leaders and C-level executives.

- *Recognition.* "It should be an ongoing, dynamic core component of daily work," advises Charney. According to a co-sponsored SHRM/Globeforce survey, of organizations that spend 1 percent or more of payroll on recognition programs, 85 percent experience a positive impact on engagement. A blend of formal and informal approaches executed by all levels of employees help creates a culture of appreciation. "Knowing your work is appreciated by your coworkers goes a long way toward improving morale, as well as creating a higher performing workforce due to creating transparency around who's doing the best job," he says.

Employee engagement strategies can only show their value if they are measured. "Employee engagement surveys are a great way to stay connected with what employees want," says Zaucha. "Data can be aggregated by department, job, leader, age, gender, and other subsets to gain the insight you need. Targeted initiatives can be developed to ensure the various retention and engagement drivers are addressed."

Fiedelman agrees that feedback from surveys is one of the best ways to manage and drive engagement. But she warns that organizations will only get as much as they give. Make sure the surveys are asking the right questions to address the right issues, and that the results are analyzed and leveraged. "People run surveys, data gets pushed out, and nothing is done with it," she says. "HR needs to make data into action plans and follow through."

Better Decision-Making

The era of big data has been in full swing for years, and it has been lauded for its power to deliver better decision-making around people management. But it also has its challenges. According to Bersin by Deloitte research, 60 percent of companies are investing in big data and analytics tools, but only 14 percent have done any significant statistical analysis. Strategy and analysis around the reams of employee data will become a must- have instead of nice-to-have in 2015.

“Organizations that leverage big data and analytics achieve perspective. There are multiple stories hidden in all data—waiting for analysis to expose them,” says Amy Friedman, founder and CEO of career transition and coaching firm Partners in Human Resources. “Data pools that are aggregated in a deliberate, well-designed, strategic manner tend to produce more immediately valuable and meaningful information.”

What can HR find out through big data analysis?

- Gaps in talent
- Missing competencies
- Successful sourcing strategies
- Leadership potential

Data can even be drilled down to specific to business challenges, says SAS's Mann. “Don't analyze data for data's sake,” she advises. “Start with the problem you are trying to solve then turn to the data. Data analysis includes not only looking at what happened in the past, but anticipating what is likely to happen in the future so that you can take proactive measures to influence the right outcomes.”

Charney agrees: “Organizations need to be able to use past performance in order to predict future outcomes. The day of relying on gut instincts and best practices are over.”

Another interesting impact derived from the need of big data analysis is the introduction of more scientific roles in the HR department, says Aberdeen's Moon. Innovative organizations, like Facebook, Google, and Salesforce, are ahead of the curve with people analytics leaders on their roster. “HR will continue to invest in people needed to execute on that data and turn it into insight,” she says. Having the right mind behind the reams of data will put HR in the position it needs to be to make strategic decisions around the outputs.

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