



Building a People First Culture

Who am I?

- ▶ HR Consultant with 25+ Years Experience, most spent leading HR teams inside organizations
- ▶ Diverse group of clients including large, small, publicly traded, privately held, municipal, for profit and non-profit organizations
- ▶ I learn from every client and each engagement and share best practices with everyone



What is Organizational Culture?

Wikipedia says:

“Organizational Culture encompasses values and behaviors that contribute to the unique social and psychological environment of a business. The organizational culture influences the way people interact, the context within which knowledge is created, the resistance they will have towards certain changes and ultimately the way they share (or do not share) knowledge.”

“Culture eats strategy for breakfast”

- Attributed to Peter Drucker, Management Consultant



What is a People First Culture?



Driven from the top down

Based on trust and transparency

Employees are informed and empowered

Value collaboration over competition

Equal opportunity to achieve full potential



It's consistently doing the right thing in a repeatable, predictable way.



The Business Case

John Kotter research - 32 Companies Studied over an 11-year period:

	Firms with a Performance Enhancing Culture	Firms without a Performance Enhancing Culture
Revenue Growth	682%	166%
Stock Price Growth	901%	74%
Net Income Growth	756%	1%

Grant Thornton's 2019 Return on Culture Report - 1000 companies:

- Public companies with extremely healthy cultures are 2.5 times more likely to have significant stock price increases
- Companies with extremely healthy cultures are 1.5 times more likely to have average revenue growth of 15% or more for the past 3 years

The Problem Statement

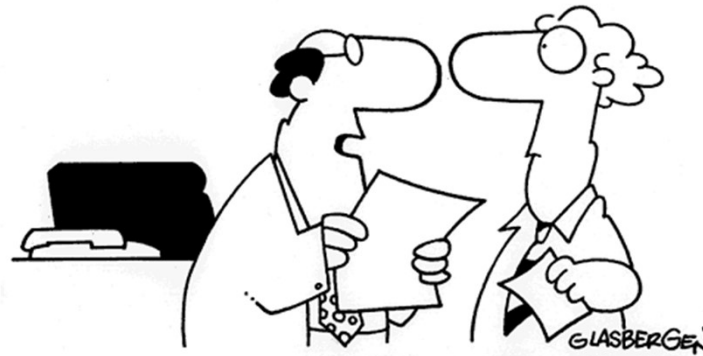
- ▶ 75% of the 1000 companies in the Grant Thornton study believe that culture is critical to business performance, however...
 - ▶ 69% of the companies don't measure culture
 - ▶ 87% don't regularly survey employees to determine priorities
 - ▶ How many have a documented People Strategy?

Where else would a business spend this much money without a plan?



"That's our mission statement."

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"I want the public to think of us as 'The Company With A Heart'. But I want you to think of us as the company that will chew you up, spit you out and smear you into the carpet if you screw up."

A People First Culture Requires a Plan

A People Strategy needs to be both Strategic and Operational:

Strategic:

- Linked to the Organization's Overall Strategic Plan
- Articulates the Desired State - What Does Success Look Like?
- Includes Metrics to Track Progress

Operational:

- High Potential Areas are Identified
- Phases Build on Each Other
- Projects are Identified and Resourced

Who Should Participate?

This plan shouldn't be created only by HR and can't be realized with only HR - Involve the full leadership team:

C-level Leaders

Finance

Operations

Sales

HR

Frontline Leaders

Strategic Planning Framework

The steps in the creation of a Strategic People Plan are no different than any other type of organizational strategic planning.

- Assessment of Current State - Internal and External
- SWOT Analysis
- Identify Desired State(s) by Category
- Identify High Potential Areas
- Metrics - Leading and Lagging Indicators

Assess Current State

Internal Assessment -

Includes employee survey data or organizational culture survey data, HR metrics, feedback from internal stakeholders, ongoing projects (capacity and resources), communication forums

External Assessment -

Includes benchmarking and best practices, regulatory updates or concerns, market pressures, overview of your competitive set (for customers and employees)

SWOT Analysis



Desired Future State(s)

- What do you want to be different in 3-5 years? Define your intent
- Not a vision statement - more focused on how your employee's experience with the organization will be different
- Articulate this by category - Communication, Core Values, Growth & Development, Comp & Benefits, Infrastructure, Talent Acquisition

“We have a robust pool of engaged, effective employees with opportunities for growth and a reputation that attracts top talent”

“The organization has defined core values that are embedded in decision making and performance feedback and evident in the actions of our leaders and team members”

“Team members have timely and relevant information about what's happening, strategically and tactically, and a system for ongoing two-way dialogue exists”

Identify High Potential Areas

What areas within each category have the biggest potential to help you achieve your Desired Future State?

- *Defining core values with examples of supporting and contrary behaviors*
- *Improving developmental communication between Managers and Team Members (eliminate P4P?)*
- *Building a comprehensive two-way communication plan with key messages and forums*
- *Deploying an org culture survey and developing action plans from the results*
- *Enhancing health benefits by removing barriers to care*
- *Building a transparent cash compensation system, based on market, that is equitable for all*

Metrics

Leading Indicators

Measuring activities that will lead to improved results (ie, program or survey participation, training attended)

Lagging Indicators

Measuring the results of what has already occurred and the impact it had (ie, benefit costs, employee turnover, time to fill, internal promotions)

Case Study

Background

76-year old organization with about 90 employees;
historically low employee turnover and stable customer base

Experienced 2 full leadership team changes, employment
discrimination claims, increased employee turnover and loss
of 2 major customers over a 3-year period

Case Study

Process

- Gathered all data available and met with members of the Board and Leadership team to assess current state and prepare SWOT analysis
- Created customized Organizational Culture survey and communicated the intent and the process to all team members in face to face meetings
- Deployed survey and received 83% participation without any incentive
- Shared full survey results face to face with all team members
- Formed team to create action plan (People Strategy) and shared it with all team members

Case Study

Survey

- 15 Total Questions covering 4 areas:
 - Communication
 - Ethics & Fairness
 - Recognition & Respect
 - Autonomy & Teamwork
- 12 Agree/Disagree questions & 3 open-ended
- 83% participation with 75% completing all the open-ended questions

Case Study

Survey Results

- 3 of the 4 areas scored less than a 3 on a 5-point scale; lowest area was Autonomy & Teamwork
- Lowest scoring statement - “We do a good job of incorporating new procedures and improvements into our routine”
- Wide variation of scoring on most questions - employees in different areas or situations were having very different experiences

Case Study - People Strategy

	Desired State	High Potential Areas of Focus	Phase 1	Phase 2	Phase 3
Communication	Employees have timely and accurate information about what's happening and a continuous feedback loop exists	Division Visibility/Linkage to Overall Org Plan Strategic Two-Way Communication Plan Engagement with/from Board	Build Strategic Two-Way Communication Plan Set All Staff Meeting Agenda to include strategic organizational updates, recognition/training, feedback, what's on your mind (WOYM), etc... Define regular opportunities for Board engagement with Staff Deploy Culture Assessment Survey for Pulse Check and Set Priorities for 2020	Deploy Org Culture Survey to monitor progress and refine next phase Increase Transparency in Employee Communications (ie, strategic and operational plans, financial info, survey feedback, etc...)	Update and Refine Strategic Communication Plan based on Feedback
Core Values	Defined core values exist and are embedded in decision making and evident through the actions of the organization	Select and Define Core Values Courageous Conversations & Assuming Positive Intent Training Training - External and Employee Lead	Collaboratively Identify Core Values & Define Behaviors That Support or Detract Teach Courageous Conversation & Assuming Positive Intent Skillset to Address Core Value Concerns	Link Core Values to Performance Management and Leadership Development Build Employee Lead Training Program	Expand Training Curriculum Debrief Adherence to Values and Refine Plan
Infrastructure	Effective policies and programs are in place that are fairly enforced, support transparency in the organization and encourage professional development	Org Structure Effectiveness Policies - Review & Mgr Training Performance Management Process Pay Equity	Revise Org Structure for alignment, clarity and effectiveness Leadership Review of Intent/Effectiveness of Current Policies Redesign Performance Mgmt Tool to Support Professional Development/Core Values Initiate "Stay" Interviews - 3/6/12 Months	Build Comprehensive On-Boarding Program across all Divisions Mine Data from Stay Interviews and Build Action Plan Create Cultural Ambassador Program with EEs from each Division	Build Market Based Pay System Refine Action Plan from Stay Interviews Review Effectiveness of Performance Mgmt Tool/ Refine as Necessary



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