

LEADERSHIP ASSESSMENT & DEVELOPMENT

Building a Human Capital Strategy

By Pete Sanborn

KINCENTRIC A Spencer Stuart Company

1 The Challenge

Too often, talent spend is not linked to business strategy. Lists of HR programs do not constitute a strategy. Programs are frequently set in motion without a clear connection to what will drive business results. While stopping established programs can be difficult, the real challenge is to introduce new practices that demonstrate value to the organization and drive business success. It's time to establish a fresh set of connections.

To get the most out of any talent investment, there has to be strong alignment between business strategy and human capital strategy. Providing stakeholders with a three-year, outcomes-based human capital strategic plan clearly linked to business strategy will align activity, investment and focus.

2 The Approach

Our approach relies on a thoughtful methodology that walks our clients through the crucial steps:

- Exploring the business strategy and filling in the blanks to help understand the talent implications
- Probing to understand the external perspectives and internal realities to create granular, specific and actionable strategic statements
- Tactically aligning current HR activities and spend with the business strategy to identify what is missing, what needs to change and what needs to stop
- Developing a business case for investment and addressing organizational support issues, such as enterprise culture and functional capabilities

3 The Value of Partnering with Kincentric

Navigating this journey relies not only on solid methodology, but also on a range of expertise and the critical thinking to support success.

- Breadth of business and HR knowledge
- Creativity and external points of view on how to solve talent problems
- Ability to identify a practical path forward for the HR function
- Integrated approach to prevent siloed functional plans
- Focus on clear link between metrics and analytics



4 Keys to the Journey

Acknowledge ALL the Components

To create a transparent connection between business and HR priorities, it's important to recognize all the factors that have an impact. These levers can't be pulled independently – the key is to determine which ones to pull, and when, in a coordinated fashion. Then, evaluate whether these strategies increase or impede employee engagement and whether they align or depart from the existing employee value proposition.

Workforce and Organization Design	Acquisition and Development	Total Rewards	Leadership	Culture
<ul style="list-style-type: none"> • Skills and capabilities alignment • Geographic deployment • Workforce composition • Critical roles, skills and talent pools • Organization structure and spans of control • Inclusion 	<ul style="list-style-type: none"> • Sourcing, recruiting and onboarding • Training and development • High potential identification and development • Careers and mobility • Retention 	<ul style="list-style-type: none"> • Compensation and benefits • Performance management • Recognition 	<ul style="list-style-type: none"> • Alignment and assessment • Development • Succession 	<ul style="list-style-type: none"> • Governance and decision making • Behaviors, values and norms • Communication and feedback

RECOGNIZE WHAT TO DO AND HOW TO GET IT DONE

Framework	What Do We Do?	How Do We Do It?	What Do We Get From It?
Business Strategy Identify the capabilities and skills required to achieve goals	Unpack the strategy	Ask probing questions and apply business insights to deeply understand what the organization is striving to achieve	Deep understanding and expertise in organization's strategic imperatives
	Identify the gaps	Examine and research talent needed vs. existing capabilities and skills	Gap analysis detailing the current and desired state
Human Capital Strategy Link the business strategy to ensure talent meets required capabilities and skills	Define the HC strategy	Develop strategies in core areas: Workforce and Org Design, Acquisition and Development, Total Rewards, Leadership, Culture	Strategic statements identifying human capital areas of focus
HR Programs & Priorities Build HR programs that support the strategy	Identify program priorities	Identify programs to start, stop and continue and the capital required to fund the three-year plan	Prioritized list of HR programs, 3-year roadmap and funding allocation
Alignment, Readiness & Measures Assess organizational readiness and create change plan	Identify alignment and readiness needs	Assess alignment and readiness of HR function design and business	Change implementation plan and strategic success measures

MEASURE SUCCESS

Success = Talent to support business strategy and capability requirements

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About Kincentric

Kincentric, a Spencer Stuart company, approaches human capital differently – we help you identify what drives your people so they can drive your business. Formerly a part of Aon, our decades of expertise in culture and engagement, leadership assessment and development and HR and talent advisory services enable us to help organizations change from the inside. And our global network of colleagues, our proven insights and our intuitive technologies give us new ways to help organizations unlock the power of people and teams – fostering change and accelerating success. For more information, please visit kincentric.com.

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