

Practice Management

AIA Knowledge Communities



2012 Webinar

## Human Resources:

# Creating the right workforce for your future

Attract the right people, identify and develop your next generation of leaders



For audio, please listen through your computer or refer to your registration confirmation to listen by phone.

# Practice Management

**AIA** Knowledge Communities



## AIA Practice Management Knowledge Community

- **10,800+ members**
- **Dedicated to sharing practice management knowledge and resources**
  - [www.aia.org/pm](http://www.aia.org/pm)
- **Practice Management Digest**
  - Quarterly by email (free)
- **Best Practices**
  - Hundreds online (free)
- **Webinars**
  - Approx. 6 per year (free)
- **Web Presence and Outreach**
  - Architect's Knowledge Resource, Members Conversations and LinkedIn (free)
- **Annual Fall Conference**
  - **September 19-22 with** South Atlantic Region

# Practice Management

**AIA** Knowledge Communities



## **For reporting AIA CES Learning Unit Credits (1.25 LUs):**

Report credit for all attendees at your site by completing the webinar survey/report form within 48 hours of the webinar's conclusion. AIA members and IDP record holders will have their credit recorded within one week of the webinar. All attendees will be prompted to download a certificate of completion at the end of the survey.

Knowledge Communities

Email: [knowledgecommunities@aia.org](mailto:knowledgecommunities@aia.org)

# Practice Management

AIA Knowledge Communities



## Other Housekeeping Items:

- This event handout and recording will be posted on the PMKC website on the Webinar Resources page:

<http://network.aia.org/PracticeManagement/Home/WebinarResources/>

- Submit a question to the moderator via the chat box.  
Questions will be answered as time allows.

# Practice Management

**AIA** Knowledge Communities



## **The Copyright Thing:**

This presentation is protected by US and International Copyright laws. Reproduction, distribution, display and use of the presentation without written permission of the speaker is prohibited.

# Practice Management

**AIA** Knowledge Communities



## **The Disclaimer Stuff:**

This program is registered with the AIA/CES for continuing professional education. As such, it does not include content that may be deemed or construed to constitute approval, sponsorship or endorsement by the AIA of any method, product, service, enterprise or organization. The statements expressed by speakers, panelists, and other participants reflect their own views and do not necessarily reflect the views or positions of The American Institute of Architects or of AIA components, or those of their respective officers, directors, members, employees, or other organizations, groups or individuals associated with them. Questions related to specific products and services may be addressed at the conclusion of this presentation.

# Practice Management

**AIA** Knowledge Communities



2012 Webinar Series

## **Human Resources:**

### **Creating the right workforce for your future**

**Attract the right people, create a great team, identify and develop your next generation of leaders**

#### **Presented by:**

Sandy Blaha, President

Sandy Blaha Performance Consulting



#### **Moderator:**

Scott A. Kuehn

PMKC Advisory Group



# Human Resources

Creating the Right Workforce for your Future



# Sandy Blaha Performance Consulting

Comprehensive talent and performance management, leadership development and exit/succession planning:

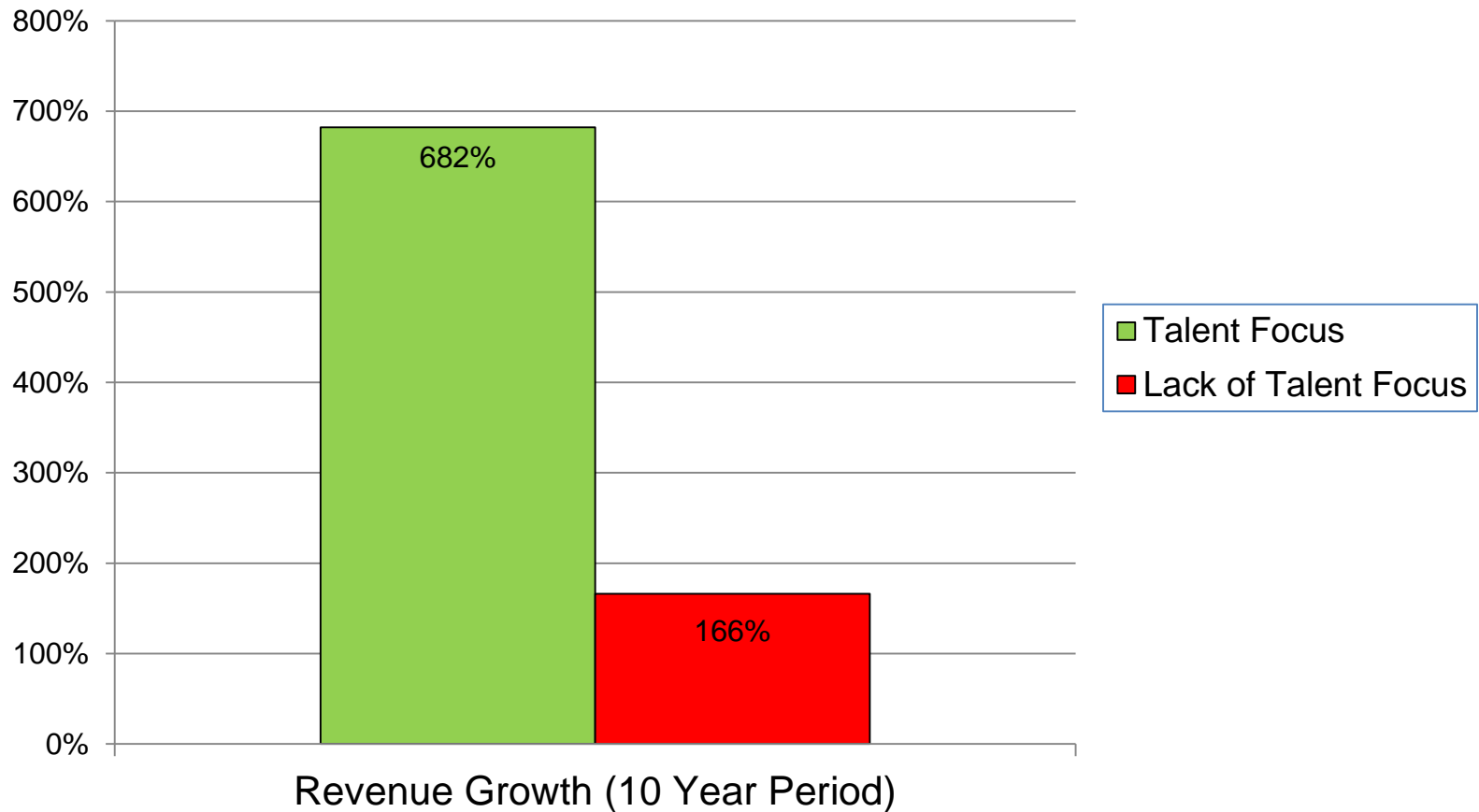


# Objectives

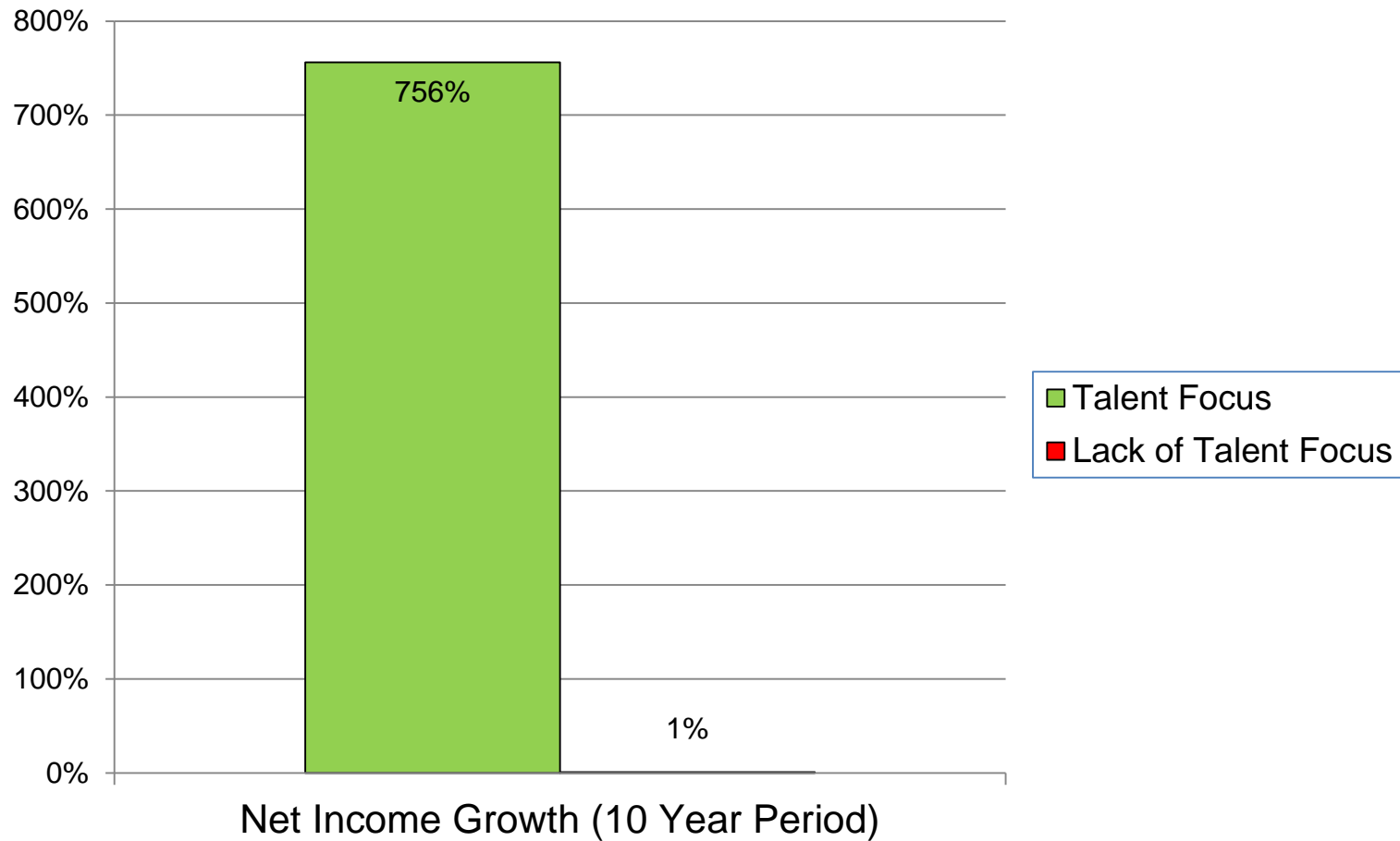
1. Business case
2. Strategy: creating a culture of performance
3. Employee engagement: leadership mindset™
4. Hiring: attract the right people
5. Career planning: development and retention of high performers

## The Business Case

# Focus on Talent = ROI



# Focus on Talent = ROI



# High Performers and High Potential Survey Data

- 80% of companies don't know which high performers are a "flight risk"
- Only 26% of companies have succession plans
- 65% of companies don't know much about their high potentials
- 84% of companies don't know if their development plans are working

# Deloitte Survey Data

CEO's Were Asked: Which strategic issues currently capture the most attention at your organization?

1. Improving top line performance
2. Cutting and managing costs
3. Acquiring/serving/retaining customers
4. Developing new products and services
5. Expanding into global and new markets
6. Investing in innovation
7. Acquiring and developing leaders and talent

# Deloitte Survey Data

CEO's Were Asked: What are your organization's most pressing talent concerns today?

1. Competing for talent globally and in emerging markets
2. Developing leaders and succession planing
3. Retaining talent
4. Managing and delivering training
5. Creating career paths and challenging job opportunities for employees
6. Sustaining employee engagement and morale
7. Providing competitive compensation and benefit packages
8. Recruiting hard to find skills



# Deloitte Survey Data

CEO's Were Asked: How do you anticipate your organization's focus on core talent management priorities will change over the next years?

72% said performance management would increase significantly

71% said they would increase their focus on emerging leaders

71% said they would increase their focus on high-potential employees

68% said they would increase their focus on retaining employees

65% said they would increase their focus on talent management

64% said they would increase their focus on succession planning

# Deloitte Survey Data

CEO's Were Asked: Do you expect to see talent shortages?

51% said yes, moderate to severe in strategy and planning

56% said yes, moderate to severe in executive leadership

58% said yes, moderate to severe in operations

# Loss of Knowledge & Experience

## DEMOGRAPHICS

Boomer = 76 million

Gen X = 50 million

Gen Y = 75 million

- 10,000 Boomers are retiring a day
- 43% of the workforce will retire in the next 10 years.
- Decline in middle management and knowledge workers in U.S.: 14%.
- 7.5mm worker shortage by 2015

# The Perfect Storm

You will experience more talent shortages  
as your most experienced personnel retire

- Create a strategic culture with a priority on talent
  - Include talent metrics and feedback in your quarterly strategic planning session
- Succession planning
  - Extend the part time work of your most experienced retirees
  - Train your managers to be better coaches and mentors
  - Identify, assess, develop your high potentials

# Different Generations, Different Needs

The most effective retention initiatives by generation

#1 ranking by each generation

Generation Y Under age 30	Generation X 30-44	Baby Boomers 45-64	Veterans Over 65
Company culture	Additional bonuses or financial incentives	Additional benefits (health and pension)	Additional bonuses or financial incentives

Source: Deloitte

# Requires a Stronger Focus on Talent Management

## Y Generation

Work does not identify me  
The workplace is wherever I am  
Technology is an extension of self

### Continuous growth

Work/life blend – 24/7 & global  
Connections via distributed networks

Life 1<sup>st</sup>: family, friends, social, work

Competitive pay and rewards

Work environment is social, friendly, transparent, open, diverse, innovative

Eager to be led and managed

Lifelong learners

Career building not job hopping

Want work to have an impact

# Opportunity for the X and Y Generation to Learn and Grow Quickly

- Employee development
- Employee engagement
- Attracting high performing talent
- Retaining high performing talent
- Preparing emerging leaders

# What are the Reasons for a Lack of Talent Focus?

- You don't know what you don't know
  - There is often a disconnect between business strategy and talent practices and investments
  - Talent and performance metrics are unknown
  - It is unclear where the responsibility for talent lies
  - It's not architecture
  - You don't know how to manage talent effectively
  - There is time to do it poorly and suffer the consequences, but not time to do it right
  - Seen as an expenditure rather than investment



# Objectives

1. Business case
2. Strategy: creating a culture of performance
3. Employee engagement: leadership mindset
4. Hiring: attract the right people
5. Career planning: development and retention of high performers

# Creating a Culture of Performance

## Business Strategy

# Strategic Development of Your High Performance Culture

Annual strategic planning session with stockholders, stakeholders, senior leaders, high performance personnel

- Prepare and present data on talent management
- Develop action plans that will help you create a high performing team

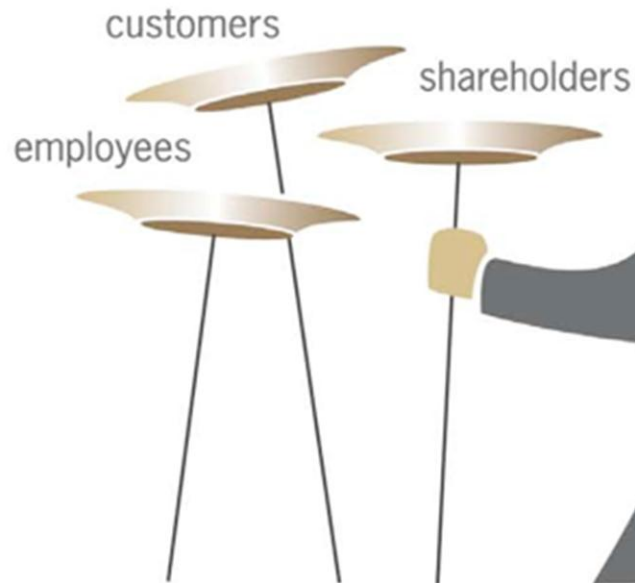
# Sample Talent Data

- Hiring:
  - percent of new hires that are high performers
  - turnover of high performers
  - hidden cost of hiring mistakes
- Engagement
  - employee satisfaction survey
  - learning and development ROI analysis
- Succession:
  - senior leaders retirement time frame
  - identify key roles and high performers
  - development process for high performers ROI analysis

# People and Process Metrics

people

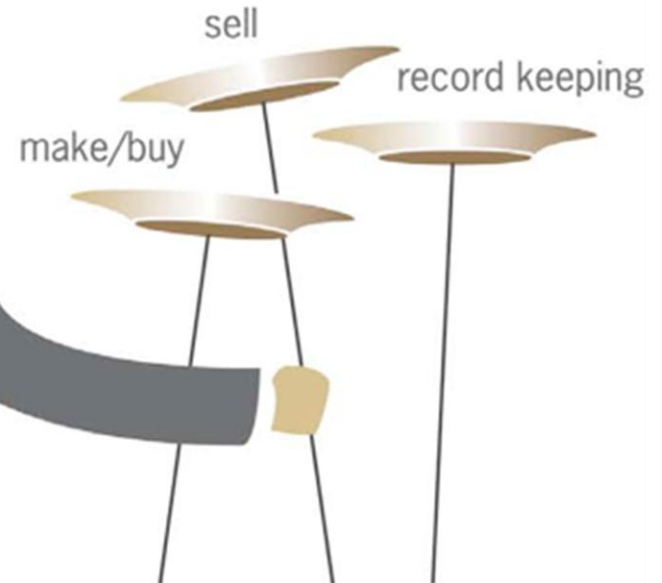
**Relationships**



reputation

process

**Transactions/Activities**



productivity

# 1 Page Plan

Strategy: Strategic Plan		Organization Name: _____																											
<b>People (Relationship Drivers)</b>																													
<b>Employees</b> 1 _____ 2 _____ 3 _____	<b>Customers</b> 1 _____ 2 _____ 3 _____	<b>Shareholders</b> 1 _____ 2 _____ 3 _____																											
<b>CORE VALUES/BELIEFS</b> (Should/Shouldn't) _____ _____ _____ _____ _____ _____ _____ _____ _____	<b>PURPOSE</b> (Why) _____ _____ _____ _____ _____ _____ _____ _____ _____ <b>Actions</b> <i>To Live Values, Purpose, BHAG</i> 1 _____ 2 _____ 3 _____ 4 _____ 5 _____	<b>TARGETS (3-5 YRS.)</b> (Where) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Future Date</td><td>_____</td></tr> <tr><td>Revenues</td><td>_____</td></tr> <tr><td>Profit</td><td>_____</td></tr> <tr><td>Mkt Cap</td><td>_____</td></tr> </table> <p style="text-align: center;"><b>Sandbox</b></p> _____ _____ _____ _____ <b>Key Thrusts/Capabilities</b> <i>3 – 5 Year Priorities</i> 1 _____ 2 _____ 3 _____ 4 _____ 5 _____	Future Date	_____	Revenues	_____	Profit	_____	Mkt Cap	_____	<b>GOALS (1 YR.)</b> (What) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Yr Ending</td><td>_____</td></tr> <tr><td>Revenues</td><td>_____</td></tr> <tr><td>Profit</td><td>_____</td></tr> <tr><td>Mkt Cap</td><td>_____</td></tr> <tr><td>Gross Margin</td><td>_____</td></tr> <tr><td>Cash</td><td>_____</td></tr> <tr><td>A/R Days</td><td>_____</td></tr> <tr><td>Inv. Days</td><td>_____</td></tr> <tr><td>Rev./Emp.</td><td>_____</td></tr> </table> <b>Key Initiatives</b> <i>Annual Priorities</i> 1 _____ 2 _____ 3 _____ 4 _____ 5 _____	Yr Ending	_____	Revenues	_____	Profit	_____	Mkt Cap	_____	Gross Margin	_____	Cash	_____	A/R Days	_____	Inv. Days	_____	Rev./Emp.	_____
Future Date	_____																												
Revenues	_____																												
Profit	_____																												
Mkt Cap	_____																												
Yr Ending	_____																												
Revenues	_____																												
Profit	_____																												
Mkt Cap	_____																												
Gross Margin	_____																												
Cash	_____																												
A/R Days	_____																												
Inv. Days	_____																												
Rev./Emp.	_____																												
<b>Core Competencies</b> _____ _____ _____ _____ _____ _____	<b>Profit/X</b> _____ _____ _____ <b>BHAG®</b> _____ _____ _____	<b>Brand Promise KPIs</b> _____ _____ _____ <b>Brand Promises</b> _____ _____ _____	<b>Critical #/: People (B/S)</b> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: green; margin-right: 5px;"></div> <div>_____</div> </div> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: yellow; margin-right: 5px;"></div> <div><i>Between green and red</i></div> </div> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: red; margin-right: 5px;"></div> <div>_____</div> </div> <b>Critical #/: Process (P/L)</b> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: green; margin-right: 5px;"></div> <div>_____</div> </div> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: yellow; margin-right: 5px;"></div> <div><i>Between green and red</i></div> </div> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: red; margin-right: 5px;"></div> <div>_____</div> </div>																										
<b>Strengths:</b> 1 _____ 2 _____ 3 _____		<b>Weakness:</b> 1 _____ 2 _____ 3 _____																											

Your Name:

Date:

**Process (Productivity Drivers)**

**Make/Buy**  
 1 \_\_\_\_\_  
 2 \_\_\_\_\_  
 3 \_\_\_\_\_

**Sell**  
 1 \_\_\_\_\_  
 2 \_\_\_\_\_  
 3 \_\_\_\_\_

**Record Keeping**  
 1 \_\_\_\_\_  
 2 \_\_\_\_\_  
 3 \_\_\_\_\_

ACTIONS (QTR) (How)	
Qtr. #	
Revenues	
Profit	
Mkt Cap	
Gross Margin	
Cash	
A/R Days	
Inv. Days	
Rev./Emp.	

**Rocks**

Quarterly Priorities		Who
1		
2		
3		
4		
5		

THEME (QTR/ANNUAL)	
Deadline	
Measurable Target/Critical #	
<b>Theme Name</b>	
<b>Scoreboard Design</b>	
Describe and/or sketch your design in this space.	

YOUR ACCOUNTABILITY (Who/When)	
Your KPIs	Goal
1	
2	
3	
Your Quarterly Priorities	Due
1	
2	
3	
4	
5	

**Critical #: People (B/S)**

Between green and red

**Critical #: Process (P/L)**

Between green and red

**Celebration**

---

---

---

---

---

---

**Reward**

---

---

---

---

---

---

**Critical #: People (B/S)**

Between green and red

**Critical #: Process (P/L)**

Between green and red

**Opportunities:** 1 \_\_\_\_\_  
 2 \_\_\_\_\_  
 3 \_\_\_\_\_

**Threats:** 1 \_\_\_\_\_  
 2 \_\_\_\_\_  
 3 \_\_\_\_\_

# Execution

- Priorities
- Metrics
- Meeting Rhythms

# Participant Poll

What are your firm's strategic challenges?  
Rate your firm's

Strategy: Alignment on annual goals or business plan

Skills and Culture: Focus on talent development



# Objectives

1. Business case
2. Strategy: creating a culture of performance
3. Employee engagement: leadership mindset
4. Hiring: attract the right people
5. Career planning: development and retention of high performers

# Creating a Culture of Performance

## Employee Engagement

# Engagement: Employees Want

- To know WHY
- To know WHERE we are going
- To know HOW we are getting there
- To make a purposeful contribution at work

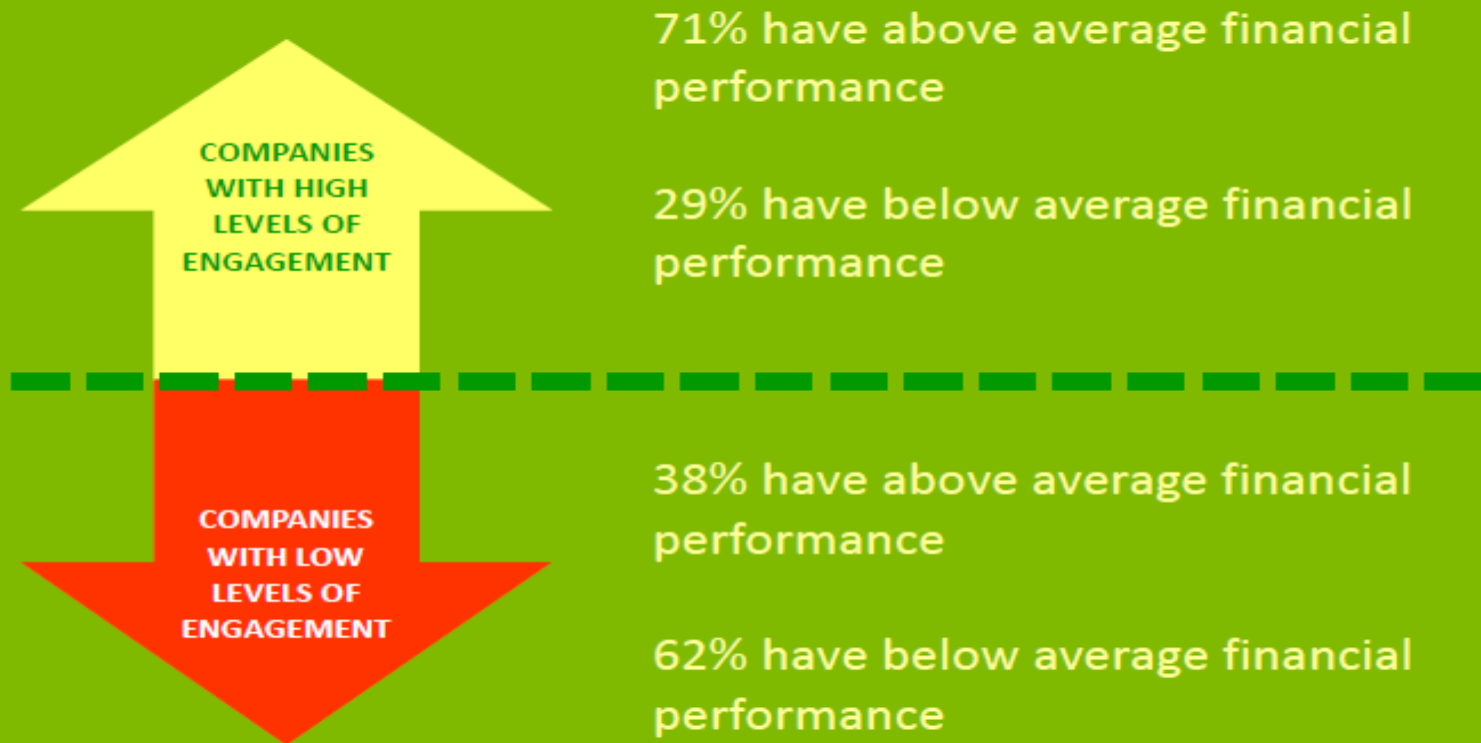


# Engagement: Goal Setting



# Dollar\$ and Sen\$e of Engagement

## The Financials behind Engagement



Research source: Performance Point LLC

# How Managers Derail Employee Engagement

- Fail to align team, individual and strategic goals
- Tell rather than coach
- Managers that can't hear bad news or feedback
- Job descriptions are unclear
- Do not know how to accurately and consistently assess performance and deliver feedback
- Disconnect between performance ratings and compensation/rewards
- Lack of development planning

# Improve Employee Engagement

## Train managers to:

- Improve their capabilities as teachers and coaches of their direct reports
- Develop their people
- Engage personnel
- Pass on their knowledge
- Identify and develop high potentials
- Retain high performers



# Engagement & Leader's Accountability

- You must hold leaders as accountable for people results as you do for business results
- Leaders must own the career path and performance processes
- Leaders must be accountable for recruiting top talent



# What Do Employees Look for In a Leader?

Behavioral Expectations of Leaders	% of those that expected	% of employees that find this quality in their superiors
Senior management is trustworthy	79%	47%
Senior management cares about the well being of others	67%	38%
Senior management encourages development of talent	56%	41%

Data source:

# Engagement: People Want Clarity

## Role clarity

- Clear expectations, people can be *more effective and accountable*.
- Tools
  - Success descriptions with
    - Mission that is aligned with strategy
    - Performance benchmarks
    - Key competencies

# Sample Success Description

## Operations Manager

Mission: The mission of the Operations Manager is to improve, develop, monitor and maintain operational controls, systems and procedures, such as contracts, written communication to customers, bookkeeping, data entry invoicing, collections, scheduling, quality control, problem solving, prepares accounts payable and paychecks. Responds to phone calls and client requests.

### Performance Metrics

- Top line growth
- AP accuracy and reconciliation
- Financial trend analysis
- Maintaining a 99% accuracy rate
- 100% client satisfaction
- Team player

Competency	Minimum acceptable rating	Self rating	Supervisor Rating	Comments & Improvement Plan
<b>Judgment and decision making</b> <ul style="list-style-type: none"><li>• Thorough, timely, decisive, involving others as necessary</li><li>• Able to manage complex decisions effectively</li><li>• Quality of decisions</li></ul>				
<b>Integrity</b> <ul style="list-style-type: none"><li>• Does not compromise integrity under pressure</li><li>• Does the right thing, courageous</li><li>• Manages ethical behavior in the face of conflict</li><li>• Holds appropriate info confidential</li></ul>				

# Engagement: Goal Setting



# Ability to Attract High Performing Talent

## Hiring

# Quantify the Number of High Performers Hired

High Performers (A players, you got what you expected) \_\_\_\_\_per cent

Adequate (B players, not as good as high performers, those lacking the potential to become A players)  
\_\_\_\_\_per cent

Low performers (C players, chronic underperformers)  
\_\_\_\_\_per cent

# Quantify the Number of Mis-Hires Until You Hire a High Performer

- Number of mis-hires to hire an A player
- Cost of the average mis-hire
- Wasted hours from average mis-hire

Top talent delivers 3-5x the value of an average employee

Mishires cost \$300-500k each

# Topgrading Sample Interview Questions

## LEADERSHIP

### VISION

What is (was) your *vision* for your present (most recent) job? How was the vision developed?

### CHANGE LEADERSHIP

In what specific ways have you *changed an organization* the most (in terms of direction, results, policies)?

What has been your approach to *communicating* change?

### INSPIRING FOLLOWERSHIP

Are you a “*natural leader*?” If so, cite examples.

Give examples of when people might have readily *followed* your lead and when they did not.

### CONFLICT MANAGEMENT

Describe a situation in which you actively *tore down walls* or barriers to teamwork. Describe situations in which you prevented or *resolved conflicts*.

If two subordinates are *fighting*, what do you do?



# Topgrading Hiring Comparison

	Typical Hiring	Topgrading
Understanding the job	Vague job description	Success Description
Recruiting	Job postings, ads	A player recruiters, networks
Pre-Screening	Resumes	Topgrading Career History Form
Face to Face Interviews	Short behavioral interviews	Tandem topgrading interview
Reference Checking	Friends of candidate	Candidate arranged calls with former boss

# Objectives

1. Business case
2. Strategy: creating a culture of performance
3. Employee engagement: leadership mindset™
4. Hiring: attract the right people
5. Career planning: development and retention of high performers

# Career Planning

## High Performer and Key Employee Development

# Career Planning & Development

1. Identify estimated retirement dates
2. Pipeline - identify your pool of high potential talent to fill retirees positions
3. Assess strengths of high pots and key personnel
4. Development plan for each
5. Leadership Mindset™ skill building
6. Strategic opportunities matched to strengths
7. Coaching and mentoring

# Leadership Learning



## **The Leadership Mindset™ for the experienced and emerging leader**

- **Leadership Style**
- **Emotional Intelligence**
- **Crucial Conversations Skills©**
- **Delegation and Authority Sharing**
- **Coaching Performance**
- **Building Teams that Excel**
- **Improved Decision Making**
- **Meeting Effectiveness**
- **Delivering on the Promise of Client Satisfaction**

## Participant Poll

What are your firm's strategic challenges?  
Rate your firm's

People: Hiring, retention, assessment and  
development of "A" level talent

# Summary

## Conclusions

# It Makes \$ense to Develop Talent

- Assess: high performers out perform their average peers by **3-5x!**
- Retain: Cost of losing a talented employee \$250-500k. Cost per day of operating without a key player: \$7,000
- Hire: 75% of organizations have insufficient hiring practices; cost of a poor hire: \$300-500k
- Job Fit: 39% of employees are well suited for their role
- Engagement: Rate of efficiency due to poor engagement - 30%



# Objectives

1. Business case
2. Strategy: creating a culture of performance
3. Employee engagement: leadership mindset
4. Hiring: attract the right people
5. Career planning: development and retention of high performers

## Sample Action Steps

1. Complete the skill and career development survey
2. Download “How to Align Workforce and Strategic Objectives” article; share with your senior leaders; bring into business planning
3. Identify and assess your high potentials

***Worksheets, organizational survey and article downloads available at***

***[www.sandyblaha.com/AIAresources](http://www.sandyblaha.com/AIAresources)***



Thank you!

For More Information about Upcoming Events –  
[www.sandyblaha.com](http://www.sandyblaha.com)

- [Free briefing for your leadership team](#)
- [Sign up for Leadership Mindset 2 Day Workshop](#)  
September 20-21, Denver [www.sandyblaha.com/leaders](http://www.sandyblaha.com/leaders)
- [Custom personnel assessment and career planning projects](#)
- [Custom strategic planning and alignment workshops](#)

# Practice Management

**AIA** Knowledge Communities



## **Upcoming Webinars:**

September 13

Marketing and Business Development Topic

December 13

Firm Financial Management Topic

**View our webinar resources page for more information:**

<http://network.aia.org/PracticeManagement/Home/WebinarResources/>