Transform HR to Transform Companies
Friday, April 11, 2014
Agenda

- Transformational Change Defined
- The Truth about Change
- Case Study – Diversey Success Story
- Transform HR to Transform Company
- HR Talent Requirements – Roles, Skills, Behaviors & Development
- HR Paradigm & Capability Shift
Transformational Change

- A shift in the business culture of an organization resulting from a change in underlying strategy, structure and processes that the organization has used in the past. A transformational change is designed to be organization-wide and is enacted over a period of time.
Change Management

- **Change management** is an approach to transitioning individuals, teams, and organizations to a desired future state. In a project management context, change management may refer to a project management process wherein changes to the scope of a project are formally introduced and approved.
Human System

- Nervous System
- Structural System
- Digestive System
- Intestinal System
- Immune System
- Skin & Hair System
- Glandular System
- Respiratory System
- Circulatory System
- Urinary System

General Nutrition
Organizational System – 7S

- **Structure** (‘Hard Ss’)
- **Strategy**
- **Systems** (‘Hard Ss’)
- **Skills** (‘Soft Ss’)
- **Shared Values**
- **Style** (‘Soft Ss’)
- **Staff**
Organizational System – HR & the Transformational Levers

HR Aligns and Drives the Transformational Levers:

- Strategy
- Capabilities
- Culture
Three Types of Change

- **Developmental Change**
  - **Motivation:** Improvement
  - **Focus:** Enhancement of the old state

- **Transitional Change**
  - **Motivation:** Fix a problem
  - **Focus:** Replace old state with something new

- **Transformational Change**
  - **Motivation:** Survival / breakthrough needed / pursue new opportunities
  - **Focus:** Radical shift, content largely uncertain at outset

*1 type of change will be primary but may drive other change (ex. Transitional efforts often require Developmental methods in service of the primary)*
What Type of Change are You Challenged with?

- Developmental
- Transitional
- Transformational
The Brutal Truth…

M.E. Smith "Success rates for different types of organizational change".
Case Study - Diversey
Diversey Profile

- Global provider of cleaning/hygiene solutions to institutional/industrial marketplace
- Sectors: Foodservice, Lodging, Food & Beverage, Bldg. Maintenance/Service Contractors, Retail, Health Care
- 2002: Johnson Wax Professional + DiverseyLever = JD
- Public Reporting Company
- $4.5 billion annual sales
- Commercially organized around three regions: EMA, Americas, Greater APAC
- 10,800 employees in 60+ Countries
- One of four Johnson-family companies based in Racine, WI
- Formed in 1886
- Fifth generation of family ownership/leadership
What’s made us successful in the past will not be enough in the future

- Moving from product/chemical selling to solutions partner…and sustainability leader
- Holding company to global customers
- Regional International to Integrated Global
- Regional/MD focus (geography) to Sector/Value proposition focus (Customer)
- Amalgamation of acquisitions to one brand/one company
- Family/privately held to publicly reported…IPO on horizon
- Paternalistic internal focused to customer market focused
Organizational Implications

- Clarifying the new Operating Model of the company
- Clear focus on the competitive work that drives our advantage
- Seamless processes and collaborative teams that make this work easy to perform and deliver
- Clarity on the few priorities that will make the biggest difference
- A collective enterprise view, leveraging our regional and functional strengths
- Responsive global support teams = functions
- In effect, an organization custom designed to our strategy
Diversey – Business Response

- Global restructuring began in October 2008
- Launch of new global strategy 2009 - 2012:
  - Where to Play
  - How to Win
  - Required Capabilities
- Disciplined Organization Design methodology – Strategy, growth, capability building, and alignment oriented
- Project Management Office set-up
- PE deal finalized October 2009
- Buy-out of Unilever, Influx of growth and restructuring dollars
HR’s Role at This Phase

- Facilitate Executive and Senior Leadership Alignment:
  - Company Operating Model
  - Strategy
  - Capabilities
  - Culture
  - Macro Org Design
  - Change Management

- 4.5 day Quarterly Exec Team Meetings

- Annual conferences with top 150 Leaders

- Quarterly Leadership Council Calls – Top 70
Every Organization is Perfectly Organized to get the Results They are Getting
It is more than just the “boxes”

**STRATEGIC CONTEXT**

- CEO
  - People
  - Regions
  - Functions

**PROCESS CATEGORIZATION / DESIGN**

**STAKEHOLDERS & LINKAGES**

**DECISION RIGHTS**

**RIGHT CAPABILITY IN REQUIRED ROLES**

**MEASURES / REWARDS**

**CULTURE / BEHAVIORS**
**Strategic Context – The Choice Cascade**

- **What are our goals and aspirations?**
- **Where do we want to be, by when?**
  - Growth?
  - Revenue?
  - Market leadership?
  - Values?
- **Where will we play?**
- **Focus on which:**
  - Platforms & or services?
  - Segments?
  - Channels?
  - Consumers?
  - Geographies?
  - Narrow versus broad focus?
- **How will we win?**
- **What is our value proposition to our target segments?**
- **What are our sources of advantage?**
- **What distinguishes us from competitors?**
- **What capabilities must be in place to succeed?**
- **How will we make it happen?**
  - Manufacturing?
  - Technology?
  - People?
  - Alliances?
- **What management systems are required?**
- **What organizational structure?**
- **What reward systems?**

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Diversey Two Phased Approach

Structure

Roles

Talent

Form Teams

Establish Collaboration

Design the Work

Role Description and Decision Rights Template – Marketing Communications Lead

Key Roles, Work, Accountabilities

- Identifies, Selects & Manages Agencies of Record Globally
- Determines Brand Standards & Guidelines
- Directs Creative Process
- Holds Final Creative Approval
- Owns Departmental Staffing, Training & Development

Decision Rights

- Key Competencies
- Understands how the creative process works and possesses proficiency driving it from briefing to delivery
- Demonstrated track record of leading a global communications department that has directly attributed to customer growth
- Able to unlock and leverage agency expertise to develop the capabilities required to win in the marketplace
- Must have mastery in agency management – media, promotion, design/branding and fully leveraging all available resources.
- Skilled at analyzing situations and giving sound professional judgment on integrated marketing, branding and communication strategies
- Must have proven ability to influence global cross-functional teams across time-zones

Certification / Experience Requirements

- Contribute to improved financial performance (Revenue, Gross Margin, EBITDA)
- Measured, relevant improvement in brand awareness, preference, intent to purchase and key brand health/equity measures
- Successful delivery against agreed-to PBO's
- Positive working relationship with key internal and external constituents via informal 360 feedback

Performance Metrics

- Communications experience should extend across all traditional and non-traditional customer channels to include some B2B advertising/communications experience as well
- Agency experience is highly valued as a complimentary experience to line experience in “brand-centric” industries
- Strong leadership skills; ability to communicate and interact with diverse groups of constituents

Career Path

- Progression…Marketing Lead, Corporate Communications, Portfolio
- Feeders…Portfolio, Corporate Communications, Sector

- Drives strategic direction through a focus on communication, branding and creative services
- Defines and drives marketing communications roadmap (both short and long term) and priorities across sub-groups (i.e., geography, sector, portfolio, etc.)
- Supports definition of brand strategy and communications framework and defines the brand guidelines
- Develops and implements the company's marketing communications guidelines and standards, ensuring materials for all constituencies are consistent and effective in terms of message, content and overall image
- Works with all sectors and portfolios to integrate their communications into a coherent and effective program for the company
- Develops and manages to approved Marketing Communications budgets
- Hires and manages outside creative agencies, vendors/suppliers and temporary services to assist communication efforts
- Oversees the management of all brand assets…files, artwork and other source materials
## Approach to Collaboration & Work Design

<table>
<thead>
<tr>
<th>External Experts (consultants)</th>
<th>Manager Design</th>
<th>Manager Design then employees</th>
<th>Managers &amp; employees design</th>
<th>Employees design w/Mgmt. direction</th>
<th>Critical mass of employees involved</th>
</tr>
</thead>
</table>

### Employee Commitment
- Lower
- Higher

### Speed to Recommendations
- Faster
- Slower
- Faster

### Speed to Implementation
- Slower
- Faster

### Expertise
- Context Specialists
- Job Specialists

### Quality × Commitment = Execution Excellence
Customer Focus - Connection to Brand, Customer and Marketplace
Learning - Failures, Recovery & Positive Learning
Ideation - Challenge, Question and Innovate
Connectivity - One Team Collaboration
Candor - Straight Talk
Empowerment - Power, Control and Transparency
Decisions - Balanced Fact-based Analysis and Decision Making
Discipline - Process Orientation, Governance and Execution
Talentship - Talent Focused
Accountability - Accountability in Action
Future Focus - Managing from the Future
## BT+L - Cultural Imperatives

<table>
<thead>
<tr>
<th>Cultural Imperative</th>
<th>Score</th>
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<tbody>
<tr>
<td>Customer Focus - Connection to Brand, Customer and Marketplace</td>
<td>4 ➞ 8</td>
</tr>
<tr>
<td>Learning - Failures, Recovery &amp; Positive Learning</td>
<td>5 ➞ 7</td>
</tr>
<tr>
<td>Ideation - Challenge, Question and Innovate</td>
<td>6 ➞ 7</td>
</tr>
<tr>
<td>Connectivity - One Team Collaboration</td>
<td>2 ➞ 8</td>
</tr>
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<td>Candor - Straight Talk</td>
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<td>5 ➞ 8</td>
</tr>
<tr>
<td>Future Focus - Managing from the Future</td>
<td>5 ➞ 6</td>
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</table>
## A Diversey Leader Is...

<table>
<thead>
<tr>
<th><strong>Customer Centric</strong></th>
<th>Actively seeks deep customer understanding and makes decisions to create value and solutions for customer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collaborative with a Global Mindset</strong></td>
<td>Engages others to openly explore a variety of options and perspectives to leverage unique capabilities and best practices across the organization and with customers; establishes productive relationships across regional, functional and departmental lines; understands and leverages diversity to optimize teams and outcomes.</td>
</tr>
<tr>
<td><strong>Innovative</strong></td>
<td>Generates productive ideas (and solutions) that create customer value and sustainability for all stakeholders; appropriately challenges the status quo and encourages risk-taking to discover better ways of doing work and serving customers.</td>
</tr>
<tr>
<td><strong>Transformative</strong></td>
<td>Demonstrates ability to lead self and others through organizational growth; models adaptability and flexibility in face of change; optimistic and passionate about the future.</td>
</tr>
<tr>
<td><strong>Accountable</strong></td>
<td>Holds self and others accountable for individual and organizational commitments and performance; consistently reinforces decisions made and ensures communications and actions are taken consistently with those decisions.</td>
</tr>
<tr>
<td><strong>Executes with Excellence</strong></td>
<td>Action and results oriented; sets clear priorities; optimizes resources and builds capabilities to drive improvements and operational</td>
</tr>
<tr>
<td><strong>Strategic in Judgment</strong></td>
<td>Explores and selects a course of action aligned with our strategy; makes objective analysis and fact-based decisions; adapts when necessary, and takes actions to reinforce long-term objectives; leverages strong business and industry expertise.</td>
</tr>
<tr>
<td><strong>Talent Builder</strong></td>
<td>Proactively develops leaders, networks and teams to ensure delivery of the Brand Promise.</td>
</tr>
<tr>
<td><strong>Trust Builder</strong></td>
<td>Acts in a manner consistent with the purpose (Protect Lives, Preserve the Earth and Transform our Industry) and heritage of JohnsonDiversey. Shows consistency between words and actions. Expresses own views openly and constructively. Supports others. Considers ethical issues before making decisions.</td>
</tr>
</tbody>
</table>
Transform HR to Transform the Company

Why We Hate HR
FASTCOMPANY
2005
HR OEG Process – Followed OEG process, all redesign work done as a global team.

**STAGE ONE**

**Voice of Customer**
- Interview OpCom and sample of leaders
- Survey Leadership Council, 35 responses
- Regional Presidents - Discussions with Team

**Current State Fact Base**
- Activity Survey - all HR, 238 processes
- Global HR organization Structures and FTE's
- Review of Business Strategies and Designs

**Work Categorization & Opportunity Assessment**
- Racine Meeting
  - Work Categorization Exercise
    - 80%+ processes global
    - Agreed categorization across enabling, necessary, compliance and non HR.
  - Opportunity Assessment Exercise – “what if…?”
    - Cut 20% of total resources
    - How would we improve both efficiency and effectiveness?
    - How would we change our work and structure?

**Macro Design & Detail Structure**
- Singapore Meeting
  - Macro Structure
    - Common Global HR Operating Model and Roles
    - Global and Regional Macro Structures
  - Detail Structures
    - Ideal future state, and transition plans
    - Assessments and planning for individual levels
    - Key Linkages across organization
HR History and Context

2002 – 2003 Co Dependency

- In sourced HR – HRIS, Comp / Benefit Admin – to SC Johnson and Unilever
- Operational systems working well
- HR Mandate – integrate HR programs and set up "own JD" systems
- Challenges – insufficient HRIS capability and systems expertise, insufficient time – in source ends to learn
- Business operated as a holding company of autonomous countries with 5 weakly integrated regions

2004 – 2005 False Beginnings

- Go live with own system – SAP 10 countries – US, Canada, Western Europe. Rest of world manual spreadsheets
- HRIS, Benefit Admin (US) Payroll selects outsource partner
- Initial outsourced partnership is unmitigated disaster – nothing works, payrolls late, integrated HR team without sufficient systems support
- Business challenges compounding HR problems
- New company leadership drives an agenda of unification and leverage

2006 – 2007 Rebuilding Basics

- New HR Leadership Team must rebuild HR – "get the basics right" and execute profit hunt
- Significant HRIS investment implemented mid 07 – HRIS, Payroll, Benefits
- New system design, implemented mid 07 – HRIS, Payroll, Benefits
- New Global HR Technology partnerships created
- Business challenges results in significant HR reductions – reduced regional HR headcount, eliminated OE, operations roles
- Business regions significant redesign and HR begins to thin and act globally

2008 – 2010 Evolving New Model

- New HR operating model developing a single global HRIS system ready for use,
- Globalize new COE’s – process design and improvement for PM, Talent Acquisition, ES&D, Sales Comp, HRIS
- People Service Group formed for US / Canada, HR global transactions
- “Get the basics right” is working
- HR Technology - ESS / MSS / LS globally but utilization lags
- Regions restructured to 3 and functions moving to global alignment; continued effort to focus regions on commercial delivery and global collaboration
HR Champions – Dave Ulrich

**Focus on Effectiveness and Improving strategy execution**

**Strategic Partner**
- Incentive/Compensation Design
- Staffing strategy
- Succession Planning
- Organizational/Leader Assessments

**Change Agent**
- Culture Management
- Executive team alignment
- Initiative change management
- Employee Communications
- Leadership Development
- Employee support – adapting to change

**Focus on Employee Engagement**

**Employee Champion**
- Employee Relations
- Coaching
- Discipline
- Investigations

**Focus on Efficiency and Infrastructure**

**Administrative Expert**
- Compliance
- Reporting
- Payroll
- Benefits admin

**Focus on Employee Engagement & Manager Ownership**

**Short term focus**
- Day-to-day

**Long term focus**
- Strategic

**Focus on Effectiveness and Culture Management**

**Process Activities**
- Focus on Efficiency and Infrastructure

**People Activities**
- Focus on Employee Engagement & Manager Ownership
## HR Transition in Focus, Time & Skills

<table>
<thead>
<tr>
<th>Strategic Partner</th>
<th>Culture &amp; Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Workforce Planning</td>
<td>• Leadership Development</td>
</tr>
<tr>
<td>• Performance Management</td>
<td>• Internal Communications</td>
</tr>
<tr>
<td>• Talent Acquisition &amp; Management</td>
<td>• Employee Engagement</td>
</tr>
<tr>
<td>• Rewards and PMP/Accountability</td>
<td>• Change &amp; Culture Management</td>
</tr>
<tr>
<td>• Staffing and Diversity</td>
<td>• Special events and recognition</td>
</tr>
<tr>
<td>• Org Needs Assessment</td>
<td>• Performance Management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administrative Excellence</th>
<th>Employee Champion</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Benefits</td>
<td>• Employee Relations</td>
</tr>
<tr>
<td>• Payroll</td>
<td>• Performance Matters</td>
</tr>
<tr>
<td>• Policy</td>
<td>• Management Coaching</td>
</tr>
<tr>
<td>• EEO</td>
<td>• Investigations</td>
</tr>
<tr>
<td>• Employment transactions</td>
<td>• Policy interpretation/Implementations</td>
</tr>
<tr>
<td>• Reporting</td>
<td>• Orientations</td>
</tr>
<tr>
<td>• HRIS</td>
<td>• Employee Communications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current State</th>
<th>% of Time &amp; Focus</th>
<th>Future State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Oriented</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>Strategic Focus</td>
<td>15%</td>
<td>30%</td>
</tr>
<tr>
<td>Tactical/Day-to-day</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>People Oriented</td>
<td>25%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Voice of Customer Feedback: Areas with greatest need for improvement include Talent, Learning, Leadership, and Succession Planning.

Current Performance Compared to Future Need

- Leadership Development
- Succession Planning (ES&D)
- Talent Management
- Training and Learning Management
- Change Management
- Organization Design
- Recruiting / Talent Acquisition
- Diversity Inclusion
- Overall Cost Efficiency
- Employee Engagement
- Process Excellence
- Overall Service Effectiveness
- Internal Mobility
- Workforce Planning
- Employee Communications
- Compensation Administration
- Employee Relations
- Payroll Administration
- Legal and Labor Compliance

Need to Improve Strategic Impact

Responses from 36 Global and Regional Leaders
Internal Assessment: Our Activity Survey reinforces the need for improving both administrative efficiencies and strategic focus

- We spend 41% of time / labor costs in administrative processes. Comparative examples are in the 30 – 35% ranges. The difference equates to $1 – 2 million in efficiency gains.

- Many processes are fragmented across multiple roles - too many people touching the same process.

- Business partner roles are encumbered with necessary / compliance activities, thereby preventing focus on strategic, value add services.

<table>
<thead>
<tr>
<th>Role</th>
<th># of Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>COE -Compensation</td>
<td>41</td>
</tr>
<tr>
<td>COE -L&amp;OC</td>
<td>50</td>
</tr>
<tr>
<td>COE -Talent Acquisition</td>
<td>45</td>
</tr>
<tr>
<td>HR Admin</td>
<td>136</td>
</tr>
<tr>
<td>HRBP</td>
<td>207</td>
</tr>
<tr>
<td>SS</td>
<td>122</td>
</tr>
</tbody>
</table>
Our new design will dramatically change our HR organization

- Globalize ~80% of HR processes
  - Simplified & standardized

- Redefine processes and roles across the board to drive greater focus for HRBP's, Generalists, COE's and Shared Services

- Drive full utilization of ESS / MSS, LMS & E-Recruit

- Build a global HR shared services organization (coordinated with SG&A PMO)

- Up-skill HR to deliver value to business in the new model
Responses from Internal Customer satisfaction and Employee Engagement Surveys were highly consistent

- Made progress in improving the operating basics – payroll, comp and benefits admin, basic employee data (HRIS), compliance, HR Policy and governance.
  - Continue to efficiently deliver these services
- There are significant delivery gaps in critical areas to improve our service delivery in these primary areas:
  - Talent Management
  - Leadership Development
  - Training and Learning Management
  - Succession Planning
  - Career Development

- Highest priorities
  - Build talent – Shift in Capabilities
  - Develop leaders – Diversey Way of Leading
HR OEG Process – how and what can we change to improve HR performance without incremental costs?

**Current State Assessment**
- Utrecht Meeting
  - Voice of Customer
    - Interview OpCom and sample of leaders
    - Survey Leadership Council, 35 responses
    - Regional Presidents – Discussions with Team
  - Current State Fact Base
    - Activity Survey – all HR, 238 processes
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Strategic Work Categorization

<table>
<thead>
<tr>
<th>Competitive Activities</th>
<th>Competitive Enabling</th>
<th>Necessary Activities</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does this work directly make our strategy happen?</td>
<td>Do the outputs of this work contribute directly and substantially to enabling Competitive work to be done in the desired way?</td>
<td>Is it essential to the business, but not to gaining market share?</td>
<td>Do we do this because we don’t want to get into trouble with law, regulation or company policy?</td>
</tr>
<tr>
<td>Does it directly impact the value offerings?</td>
<td>Does the company consider this an enabler because of its values / beliefs and do we believe that we can achieve marketplace advantage by doing it right?</td>
<td>Is it only a potential disadvantage?</td>
<td>If allowed, would we stop doing this work?</td>
</tr>
<tr>
<td>Will it create sustainable differentiation?</td>
<td></td>
<td>Could we afford to be “at par” with our competitors?</td>
<td></td>
</tr>
<tr>
<td>If we were forced to give up control of work, would this be the last thing we would give up?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Competitive
Activities

<table>
<thead>
<tr>
<th>Effectiveness</th>
<th>Efficiency</th>
<th>Unnecessary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate</td>
<td></td>
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Do these activities no longer add value or required?
If we give this up we can gain efficiencies or effectiveness without risk to the business value offering, sustainability or regulatory issues?
# Global HR Work Categorization - Competitive Enabling, Priority Processes Targeted for Improvement

## Current Performance Level

<table>
<thead>
<tr>
<th>Category</th>
<th>Weak</th>
<th>Adequate</th>
<th>Strong</th>
<th>Does Not Exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Strategy &amp; Workforce Planning</td>
<td>Needs Improvement</td>
<td></td>
<td></td>
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<tr>
<td>Talent Management</td>
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<tr>
<td>Learning Management &amp; Training</td>
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<tr>
<td>Total Rewards</td>
<td></td>
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<td></td>
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<tr>
<td>Organization Effectiveness</td>
<td></td>
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## Improve Strategic Impact

- **Onboarding Assimilation** (3 Months - functional / technical training, sales and application training)
- **Succession Planning** - (Planning, pipeline for supervisory / management positions - ES&D, PGP)
- **Employee Retention Strategy** (hiring, compensation, onboarding, career planning and retention, exit)
- **Training, coaching of line managers on process**
- **Sourcing strategies** (internal or external employees, contractors, internal job posting (e-recruit))
- **Candidate assessment** (behavioral, subject matter, interviews, background checks, etc.)
- **Employer Branding**
- **Design and Development**
- **Long term incentive plan design**
- **Sales Incentives planning, development and administration**
- **Learning & Development Strategy** (Leadership, Sales and Service, Portfolio Management, and Product Application Expertise)
- **Training Delivery**
- **Organization Strategy and Design (Building Strategic Capability)**
- **Change Management**
- **Culture** (developing and shaping, diversity inclusion)
- **Special Projects (PMO) - M&A, Due Diligence, other**
- **Process Excellence / CI**
- **Organization Diagnosis / Assessment / Recommendation**

## Other Important Processes

- **Overall Human Capital Strategy** (forward planning, gap analysis, future workforce needs)
- **Workforce Planning**
- **Process Excellence / CI**
- **Organization Diagnosis / Assessment / Recommendation**
HR OEG Process – build the macro global organization footprint and delivery model in line with customer needs and design principles

### Current State Assessment
**Utrecht Meeting**

- **Voice of Customer**
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- **Current State Fact Base**
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### Work Categorization & Opportunity Assessment
**Singapore Meeting**

- **Work Categorization Exercise**
  - 80%+ processes global
  - Agreed categorization across enabling, necessary, compliance and non HR.

- **Opportunity Assessment Exercise – “what if…?”**
  - Cute 20% of total resources
  - How would we improve both efficiency and effectiveness?
  - How would we change our work and structure?

### Macro Design & Detail Structure
**Racine Meeting**

- **Macro Structure**
  - Common Global HR Operating Model and Roles
  - Global and Regional Macro Structures

- **Detail Structures**
  - Ideal future state, and transition plans
  - Assessments and planning for individual levels

- **Key Linkages across organization**
- **Deploy aggressive HR staff placement and development**
Our New Vision and Mission

HR Vision
A globally engaged team of focused experts, driving sustainable business performance by enabling empowered leaders and inspired employees

HR Mission
- Build organization capability
- Acquire, develop and retain first-class talent
- Enable leaders who inspire our best performance
- Lead change management and transformation efforts
- Deliver services efficiently through single solutions and consistent processes
- Promote our employer brand and value proposition
- Leverage deep HR expertise
View HR as an Organizational System
Global HR Operating Model: We will organize our work globally in the following focused roles

- **HR Business Partners (HRBP)** reside within the global functions, regions or business units diagnosing, planning, and initiating HR solutions. They are responsible for HR strategy and aligning HR delivery to business needs.

- **HR Operations** serve all businesses and functions in a geographic level. They are responsible for implementing HR solutions and services to line managers and employees and ensuring compliance and minor localization where necessary. They may be supported by HR Specialists.

- **HR Centers of Expertise (COE)** are the domain expertise for HR practices, and proactively design and develop programs and processes for all Business Units globally. They will support the needs as presented by the HRBP and ensure implementation capabilities by HR Operations.

- **Leveraged Services Group (LS)** will provide global HR service delivery through technology, process and systems for all administrative / back office / operational processes - they will build, manage and implement single solution, consistent applications.
Created New COE - Learning & Organizational Capability (L&OC)

**OE Consulting**
- Strategy & Business Planning
- Org Design
- Change Management
- Employee Engagement
- Performance Management

**Learning & Development**
- Learning Governance
- Global LMS
- Instructional Design COE
- Leadership Development
- Sales and functional development

**Talent Management**
- Talent reviews and succession planning
- Workforce and staff planning
- Talent Acquisition
- Executive Education

**Process Excellence - LEAN/Six Sigma**
- Global Process Alignment Consulting
- Black/Green belt cert
- Project Management
- Change Management
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Own & Drive System-Wide Transformation Levers
Building a globally integrated company through OEG “Organize for Efficiency and Growth” initiative
- Five to Three Regions
- Globalizing the Functions - focus on Marketing, Finance and HR
- Focused on building a growth company while reduce total cost
- Identified talent/capability gaps to be closed

Building an aligned & effective leadership team
- Cascade Strategic Growth Plan through AOP and Performance Management
- OpCom executive and team development
- Leadership Council (top 100) global annual meetings and quarterly calls
- Strategic Leaders & Best Leaders Programs

Global Employee Engagement Survey - Drivers of Engagement
- Customer Focus
- Leadership
- Training and Development
- Pulse survey in 2010 to evaluate progress
L&OC – Building Leaders for the Future

- Defined “Diversey Way of Leading” - critical leadership behaviors to drive our strategy

- Global Talent Review process in Google/HRIS systems to enable identification and develop future leaders two levels below OpCom

- Three levels of Leadership Development Programs
  - Strategic Leaders - Top 100
  - Best Leaders - Middle Management
  - Emerging Leaders - Frontline and first time managers

- Leadership Programs focus on leader development, enterprise thinking, company growth and global collaboration
  - 360 Feedback and coaching
  - Leader Led modules to drive visibility
  - Builds global relationships and networks
  - Cross cultural awareness
  - Managing individual and organizational conflicts
  - Common language and messages to drive One Team, One Culture
HR OEG Process – build the macro global organization footprint and delivery model in line with customer needs and design principles

**Current State Assessment**
- Utrecht Meeting
  - Voice of Customer
    - Interview OpCom and sample of leaders
    - Survey Leadership Council, 35 responses
    - Regional Presidents – Discussions with Team
  - Current State Fact Base
    - Activity Survey – all HR, 238 processes
    - Global HR organization Structures and FTE's
    - Review of Business Strategies and Designs

**Work Categorization & Opportunity Assessment**
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  - Deploy aggressive HR staff placement and development
Global HR - Our Challenge

- Build new capabilities with marginal increase to budget
- Transition as HR professionals to more strategic role
- Ensure continued support to the business while reengineering some of our processes
- Engage HR team resources to global redesign work
- Build confidence with the business through this process that we will be better able to support them when complete
HR Competency Domains

Strategic Contribution
- Strategic Thinking
- HR alignment and Value-Creation
- Customer/client focus
- Change Agent
- Systems thinking
- Innovative
- Assessment & Diagnosis

Personal Credibility
- Consultant/Coach
- Integrity and Trust
- Facilitation and command
- Results oriented
- Problem solving
- Energy, Passion and self-confidence

Strategic HR Delivery & Capability
- Culture and Change Management
- Processes, systems and infrastructure
- Talent Management
- Risk & Labor Management
- Employee Engagement

Relationship Management
- Flexibility/Adaptability
- Influence and Negotiation
- Interpersonal communication
- Political/organizational savvy

Business Knowledge
- Financial acumen
- Customer and Markets
- Brand & Product Development
- Core business capabilities
- Labor economics and workforce planning
- Global Awareness

Strategic HR Delivery & Capability
- HR Metrics
- Performance & Rewards Management
- Organization Design
- Learning and Development
- Program/Project Management

Adapted from: “HR Competencies” 2008
The RBL Institute/SHRM – Ulrich, Brockbank
HR Development – A Requirement and Priority

- Operating model and HR strategic roles shift requires development of new HR skills and behaviors

- 6 HR Project teams will identify and clarify the roles, responsibilities, and skills required in HR to execute processes effectively

- HRLT will validate our needs assessment and participate in design and delivery of HR Staff Development

- Supported by L&OC infrastructure, processes, and expertise

- Aggressive HR staff development and talent upgrades
New HR Paradigm & Capability

- HR Owns **Strategy & Business Planning** process and cycle – strongly linked to Performance Management and Compensation designs

- HR Owns **Organizational Design** process and expertise – Effectively implementing operating model, structure, governance and roles

- HR Owns **Process Improvement** process and expertise – Effectively implement org design and define work activities

- HR Owns End-to-End **Talent Management** process and expertise – Effectively building leadership and talent to execute strategy

- HR Owns **Culture** Assessment & Facilitates Prioritization of Imperatives

- **Leaders Always involved in HR Process/Program design** - Leaders **Always Own Decisions and are Accountable for Implementation and Outcomes**

**HR Aligns and Drives the Transformational Levers:**

**STRATEGY. CAPABILITIES. CULTURE.**
# HR’s Aspirational Path

## HR Seeking a Seat At Table:

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Skills, Knowledge, Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pushing built in a box HR “best practices” – Prove self</td>
<td>Developing Functional Expertise</td>
</tr>
</tbody>
</table>

## HR Gained Seat at Table:

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Skills, Knowledge, Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectively IDs HR Implications</td>
<td>Developed Functional Expertise.</td>
</tr>
<tr>
<td>Business Cases for HR</td>
<td>Developing Business and Strategic Understanding.</td>
</tr>
<tr>
<td>Prove HR Value-add</td>
<td>Business Case Skills</td>
</tr>
</tbody>
</table>

## HR Earned Seat at Head of Table:

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Skills, Knowledge, Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectively works upstream from HR to business solutions</td>
<td>Mastered HR. Expertise in business, Strategy &amp; Systems. Executive Influence. Enterprise Perspective</td>
</tr>
</tbody>
</table>

### HR Aligns and Drives the Transformational Levers:

- **Strategy**
- **Capabilities**
- **Culture**
HR As Transformation Leader

- Solved real business problems at root cause level
- Actively include business in solution design and implementation
- Embed the “red threads” in everything we do
- Drive systemic approach to Transformation
- Engage the business using their language to achieve their goals
- Build line ownership & accountability
- Celebrate successes & address contradictions
Transform HR to Transform Companies

Friday, April 11, 2014