# HR's Ability To Add Value To The Business

Presented By:

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# What Are You Known As?

**"People Administrator"**
**Cost Center**

**OR**

**"Strategic Business Partner"**
**Adding Value To The Business**

***Only 22% of HR Leaders are meeting expectations***

# Do you….

- manage your own budget / P&L?
- understand how your company makes money?
- read the annual report (10K) and quarterly reports (10Q) to know where your company stands in the industry?
- clearly understand the company strategies and goals?

# Business Strategy / Balanced Scorecard

**Financial**
*Strong Cash Flow Generation*

**Revenue Growth**
- Omitted as intended for 101 B &B Attendees Only
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**Customer**
*Make Dining More Rewarding*

**Restaurant**
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**Diner**
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**Internal Processes**
*Continuous Improvement*

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**Learning & Growth**
*Knowledgeable Employees*

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**Professional and Management Development**

# Continuous Improvement

**Conduct surveys that can measure what works well and what needs improvement**

- Hiring manager survey
- New hire survey
- Employee engagement surveys
- Total rewards survey
- Exit interview survey

Identify Key Performance Indicators (KPIs)

# Continuous Improvement

**Recruiting:**

- Measure Talent Pipelines
- Identify Appropriate Talent Assessment Tools for recruiting and development purposes
- Ensure appropriate Onboarding Program – more than just the HR welcome…

**Performance Management:**

- Ensure employees know what is expected of them
- Work collaboratively to cascade company goals
- Support a Pay-For-Performance Philosophy
- Standardize the PIP process

# Continuous Improvement

**Benefits:**

- Maximize the use of your Benefits Brokers:
  - Ensure your plans and deductions are aligned with your recruitment and retention strategy
  - Consider a Consumer Driven High Deductible Plan
  - Audit dependant status
  - Special participant mailings for education purposes
  - Utilize HR Benefits website for FAQs and streamline information
  - Schedule quarterly 401(k) investment training
  - Evaluate if your plan should be self funded or fully insured

# Continuous Improvement

**Job Descriptions & Comp Ranges:**

- Work with each team leader to updated descriptions and justify the minimum rqmts; confirm FLSA status
- Create comp ranges and evaluate internal equity and market alignment; analyze for potential adverse impact

**Organizational Structure:**

- Lead the facilitation of organization restucturing
- Ensure "Independent Contractors" that may be deemed necessary due to staffing changes truly qualify under IRS regulations

# Learning & Growth

**Training & Development Curriculums:**

- Professional
- Management
- Leadership
- Functional
- Financial

# Learning & Growth

**Career Paths:**

- Create entry level or professional roles as feeder jobs as internal pipelines for growth opportunity
- Produce career development plans to identify and support existing talent gaps
- Identify hi-potentials and keep them engaged for succession planning purposes

# Some Key Metrics to Start With

**In order to be "strategic" metrics,**

**they must be perceived and experienced**

**to enhance decisions or other valued**

**outcomes for key strategic constituents.**

# Some Key Metrics to Start With

**Recruiting:**
- Time to fill reporting
- Cost per hire
- Talent pipeline effectiveness

**Benefits:**
- Total benefit costs per employee
- % decrease in claims and expenses

**Compensation:**
- Compa-ratio in salary range
- Red Circle/Green Circle evaluation
- Pay For Performance bell curve

# Human Capital Metrics

Time To Fill: Date req opened – date offer accepted

Cost Per Hire: All recruiting costs (ads, agency, referrals fees, travel, relo, recruiters/HM salary for time spent on req, misc. expenses) / # of Hires

Talent Pipelines: All recruiting costs per source / # of Hires by source

Ee Referrals: $ paid out in referral bonus / # of Hires by ERP

Benefits Costs: Total Benefits Costs / FTE

Compensation: Compa-Ratio within compensation ranges – identif red cirle/green circle

Turnover Rate: # of separations / average # of ees * 100

# Human Capital R.O.I.

**Revenue**
**–**
**(Op Exp – Comp Costs – Ben Costs – PTO)**
**/**
**(Comp Costs + Ben Costs – PTO)**

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| | |
|---|---|
| **Revenue Factor:** | **Revenue / FTE** |
| **Expense Factor:** | **Operating Expense / FTE** |
| **Income Factor:** | **(Revenue – Operating Expense) / FTE** |
| **Human Value Added:** | **Revenue – (Operating Expense – Comp Costs – Benefit Costs – Pay for Time Not Worked) / FTE** |

# Engaging & Maximizing Human Capital

## QUESTIONS?

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