

SKILLS <> SCORECARD



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CEO & FOUNDER

FICPI CONFERENCE
AUGUST 2015



Schedule

1. High performance and engagement
2. The productivity and innovation agenda
3. HR priorities in 2015 and beyond
 - Developing leaders
 - Careers and compensation
 - Performance management

Schedule

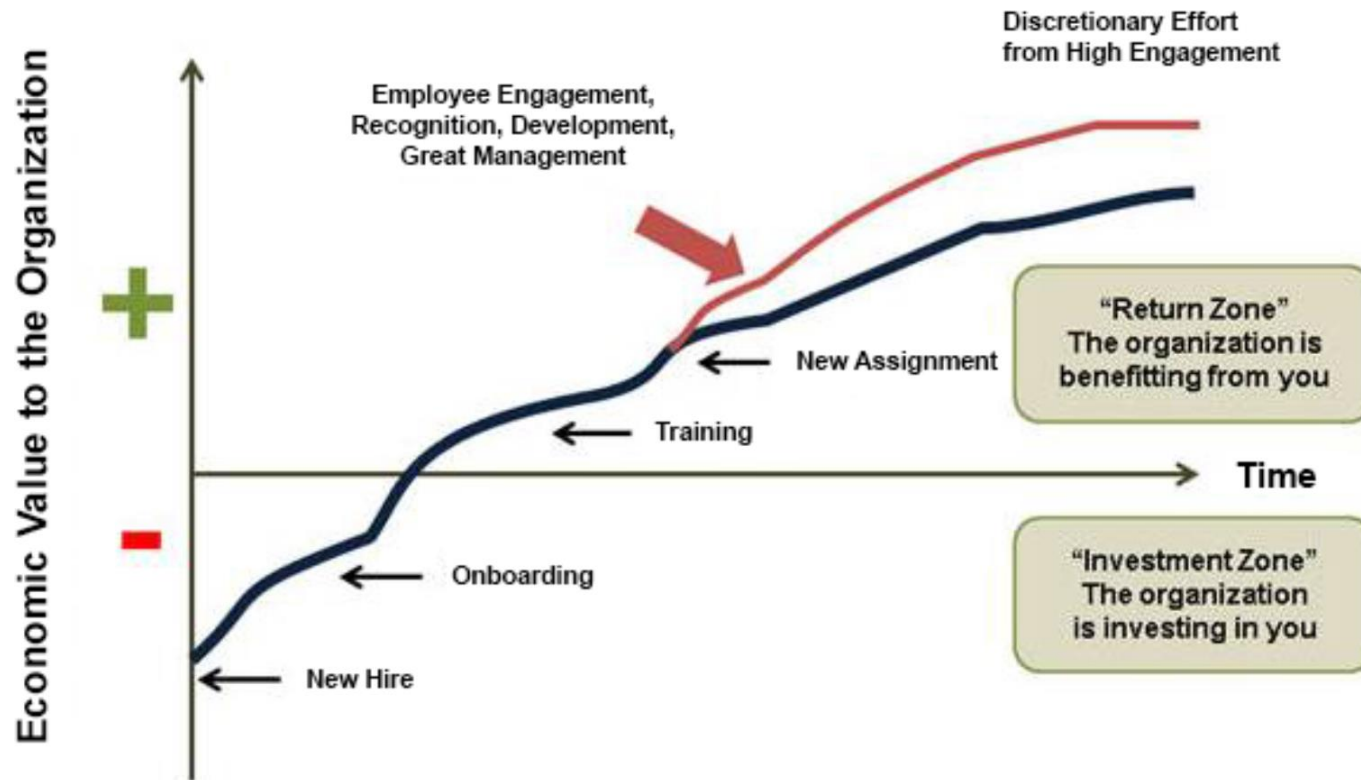
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Definitions

Engagement Employee engagement is the emotional commitment the employee has to a firm and its strategy and goals. When employees care and are engaged—they use *discretionary effort*.

High performance culture High-performance cultures inspire people to go the extra mile – to use discretionary effort.

The value of engagement

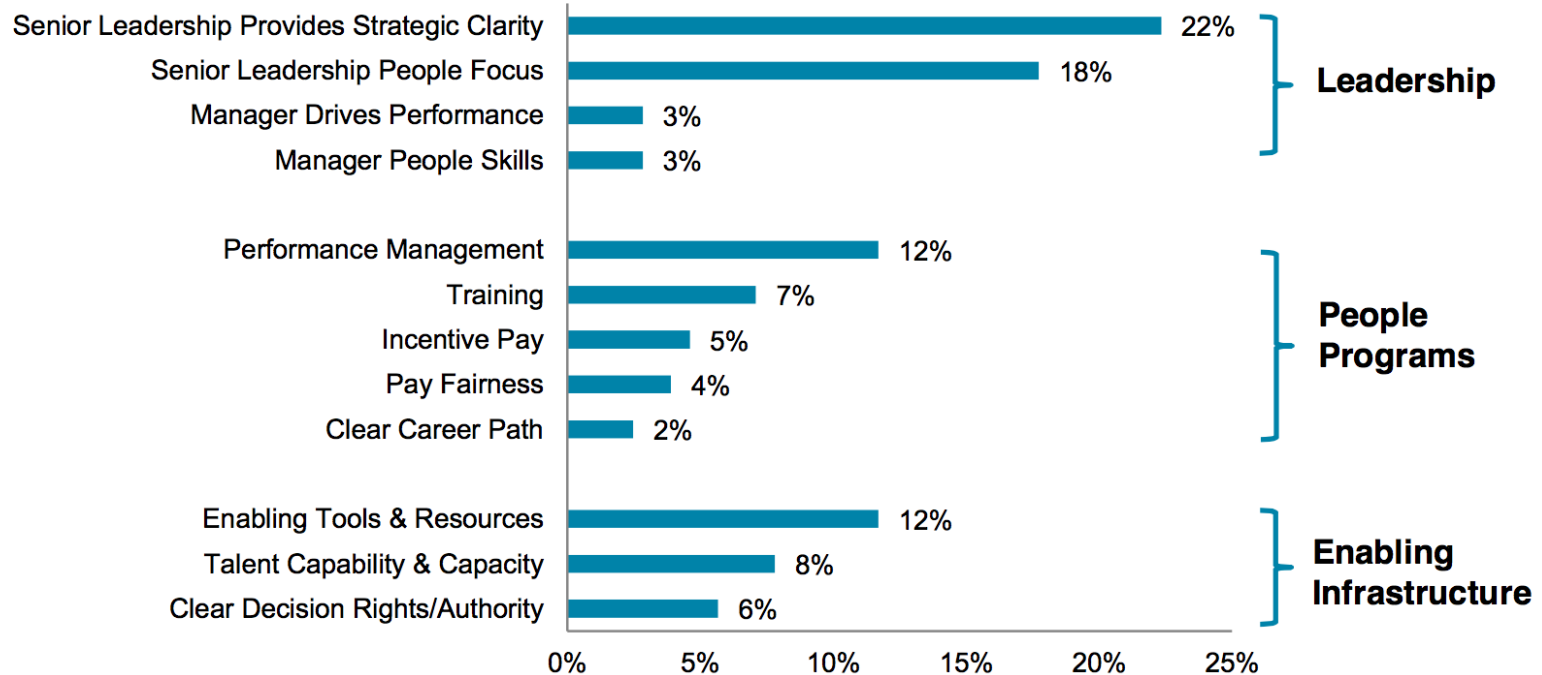


Question

Think of a high performance team that you've been part of (work, sport, hobby etc).

What characteristics made it a high performance team?

What impacts a high performance culture?



Drivers of engagement

Drivers	2012 Global	2013 Global	Perception Change 2012 to 2013	North America	Europe	Asia Pacific	Latin America
Career Opportunities	1	1	↔ 0% pts	1	1	1	1
Managing Performance		2	↑ 2% pts	2	5	5	
Organization Reputation	2	3	↑ 7% pts	3	2		
Pay	3	4	↑ 2% pts		3	2	4
Communication	5	5	↓ -2% pts				3
Innovation			↓ -2% pts		4		
Recognition	4		↑ 2% pts	5		4	2
Brand Alignment			↓ -2% pts	4		3	5

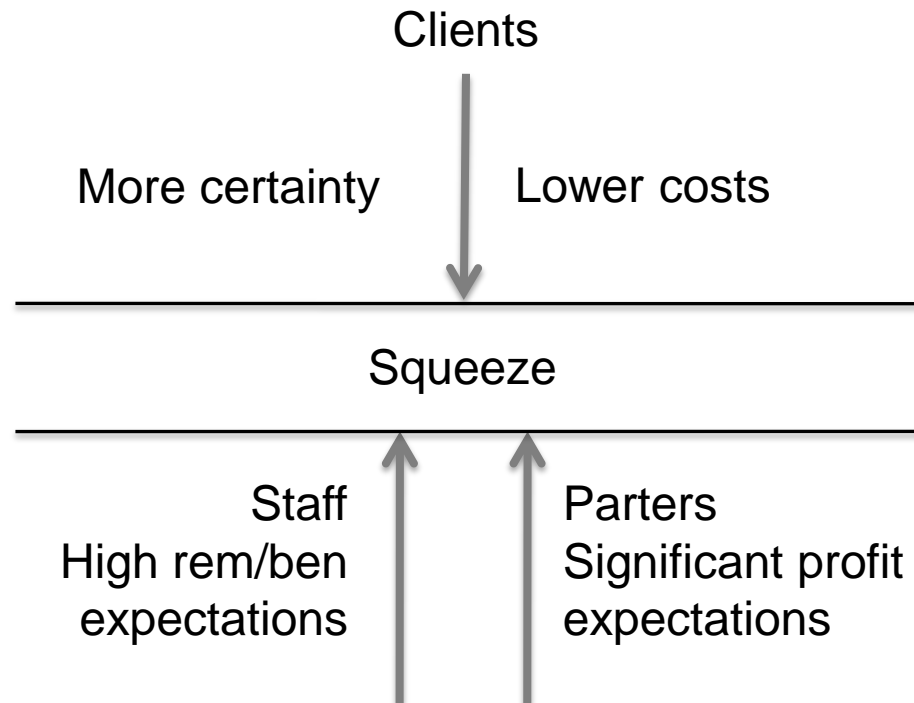
Panel discussion

What can a leader do to create and sustain a high performance team?

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The *more for less* squeeze



“Unless firms restructure their cost base they will halve their profits within the next 10 years. It’s massive.”
Warren Riddell, Beaton Capital

Question

How do some of our current leadership and people management practices kill innovation and productivity?

Innovation derailers

- Cultures of fear and intimidation
- Cultures with little discussion and debate
- Failure to reward effective contribution
- Failure to tolerate mistakes; distinguish risk
- Silos between 'professional' and other staff
- Silos in shared services
- Barriers between partners and staff

What leaders must learn to do is develop a social architecture that encourages incredibly bright people, most of whom have big egos, to work together successfully to deploy their own creativity.

Warren Bennis, *Becoming a leader of leaders, Rethinking the Future*

Task

Come up with 2 or 3 SIMPLE ways in which firms can change their social architecture (that is, conscious design of how people relate, work and communicate) to improve productivity and innovation.

Productivity and innovation ideas

My three simple ideas:

- Create structured debates on specific productivity and innovation ideas (e.g. open plan)
- Find, tell and reward productivity stories
- Institutionalise after action reviews

The well-managed firm

54% of clients say that the impression of whether an advisory firm is well-managed is an 'essential precondition of selection' and a further 36% say it is 'important but not essential'.

Effective Client-Adviser Relationships, published by Financial Times UK and Managing Partners' Forum

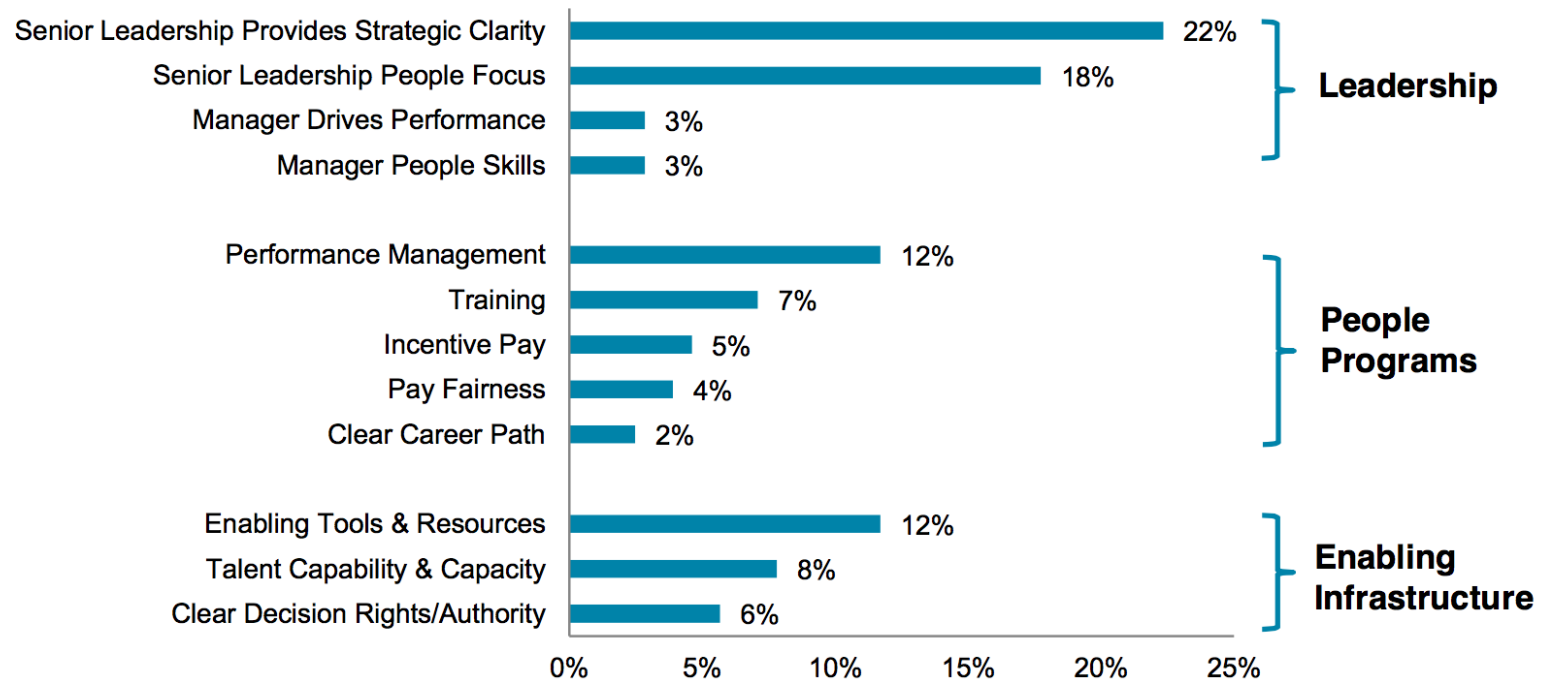
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HR priorities in 2015

1. Engagement, retention, culture, and inclusion have become front burner issues
2. The redesign of performance management will likely continue
3. Time to address the overwhelmed employee: how do we redesign and simplify the workplace?
4. Skills are now currency; corporate learning takes on Increasing Importance

Developing leaders



Developing leaders

Integration: integration with strategy through defined and aligned strategic competencies

Investment: appropriate time and money

Impact: short, medium and long-term measurement

Institutionalising: making key concepts routine business activity; and routine behaviours

Involvement: senior leaders being involved, supportive, vulnerable and committed to institutionalisation

Rethinking the PSF career model

- Reduce stratification to help high performers progress toward partnership
- Increase career options at senior manager / senior associate level to provide partnership alternatives
- Recognise the need for new senior, specialist roles that take into account relationships, pricing, technology and KM
- Rethink the partner role and make explicit the concept of the partner life cycle / recognise alternative skill-sets and contributions

Rethinking measurement

Current / old model	New model
Focus on outputs	Balancing inputs & outputs
Heavily stratified pay cohorts	Larger pay cohorts
Role-based competency model	Team-based competency model
Periodic reviews	More regular reviews

Performance management trends

- Periodic, static > Just in time, agile
- Person-centred > Project-centred
- Paper-based > Technology-enabled
- Supervisor-driven > Employee-driven
- Metrics > Analytics

96% of HR respondents say that workplace analytics will become more important to their organisation in the coming three years (Deloitte, 2014)

23% of HR teams reported that adopting new technologies, such as data analytics, would be their main focus in the next three years (EIU, 2012)

56% of HR teams report an increase in using data analytics compared to three years ago (EIU, 2012)

HR Analytics – the state of play

31% of HR teams plan to implement technology to support Analytics (EIU, 2012)

85% of respondents said their HR team doesn't excel at providing insightful and predictive analytics (EIU, 2012)

Leading barriers to HR Analytics use:

32% say no organised capturing and analysis

23% say poor technology preventing action

12% say leaders don't understand, support HR analytics

10% say the HR team lacks the skills / capabilities

8% say their industry has not embraced HR analytics

(Deloitte, 2013)

Performance Management

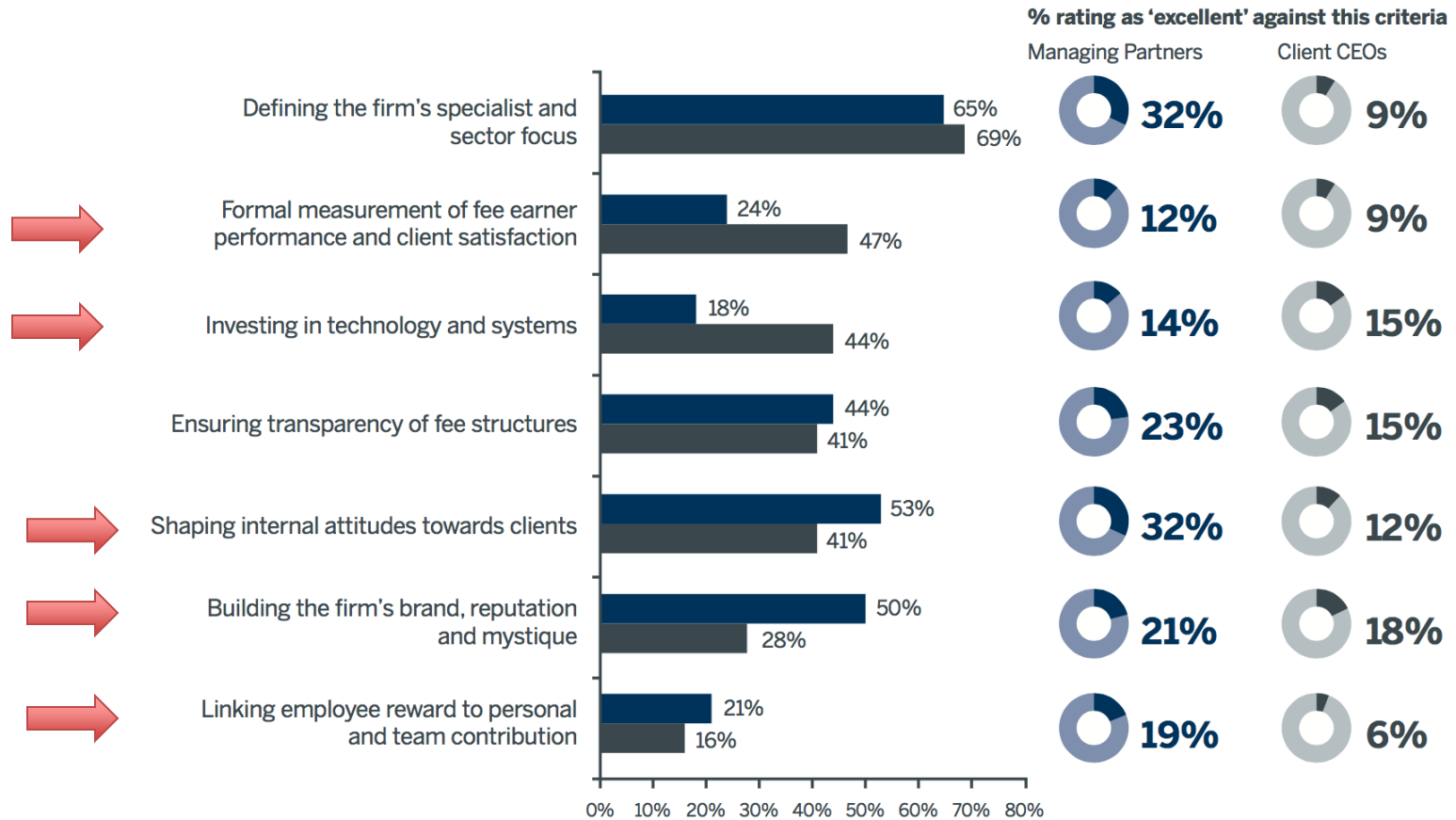
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Performance Management

SSC performance management formula:

- 1/3 objective setting and tracking
- 1/3 project review feedback
- 1/3 periodic review feedback

HR priorities



Source: Managing Partners' Forum, 2012

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