

Special Webcast

# Enduring Change in 2021: Data Will Unlock Organizational Agility

February 18, 2021

THE CONFERENCE BOARD 

orgvue 

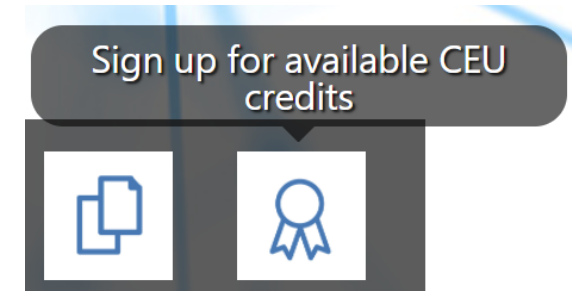


# What We Will Be Discussing Today

- How change has affected every organization in the past 12 months
- What the research shows when it comes to data, timeliness and confidence in decision-making
- How data can guide not only the assessment of where your organization is today, but how it can adapt and respond changing market dynamics



# Earn Credits

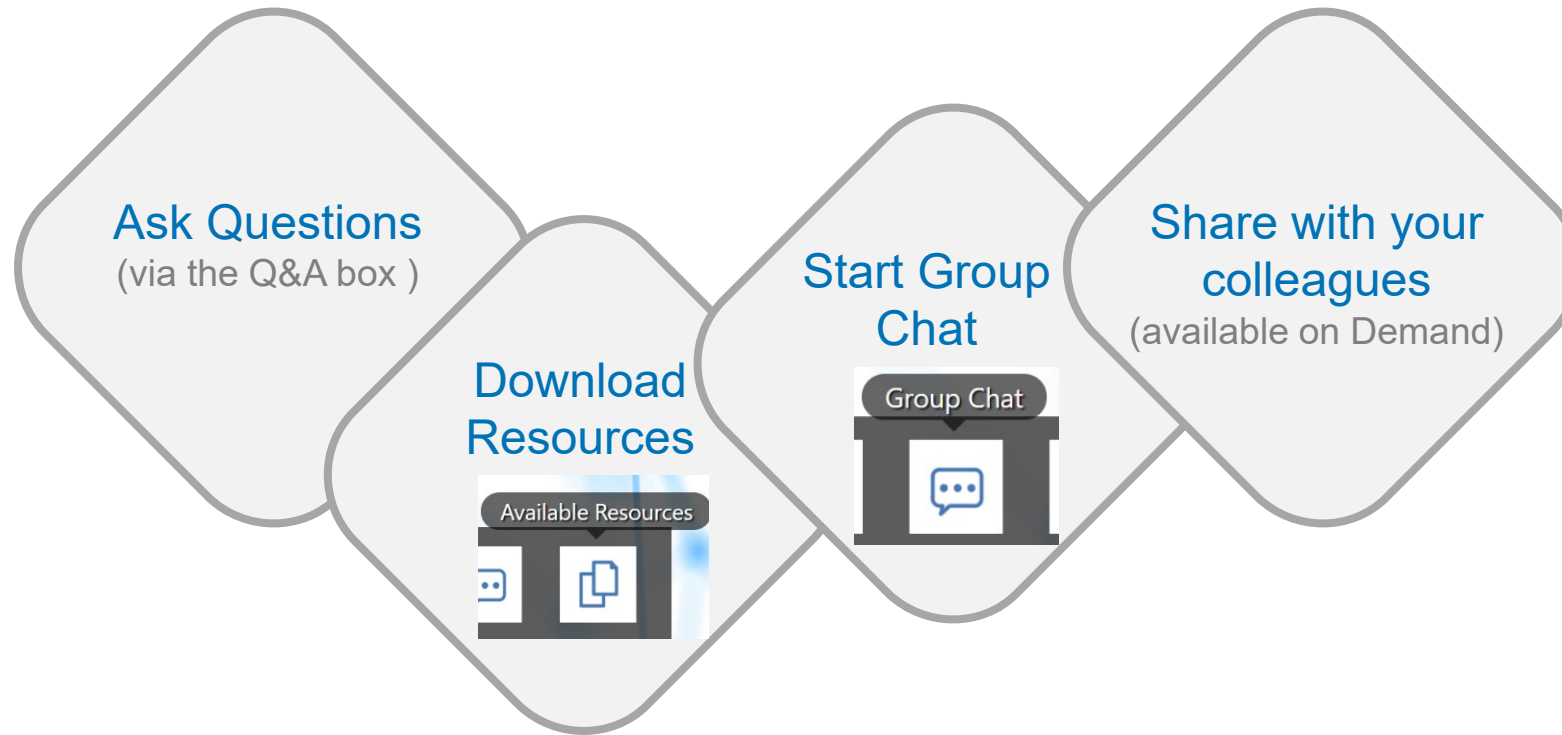


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# Today's Presenters



**Ken Ferguson**  
Chief Revenue  
Officer  
*orgvue*

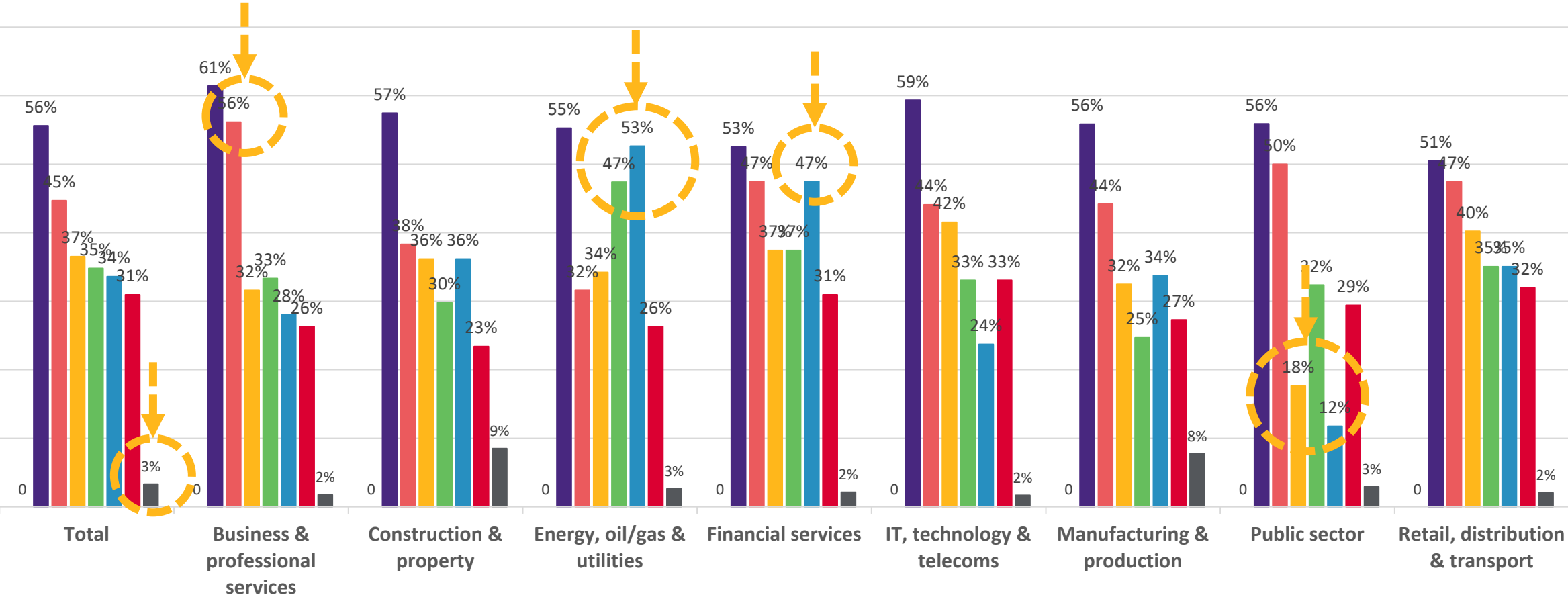


**Barbara J. Lombardo, PhD**  
(Moderator)  
Distinguished Principal  
Research Fellow and  
Program Director  
*The Conference Board*



# change has been the only constant

in the past 12 months a sizeable proportion of my organization's workforce...

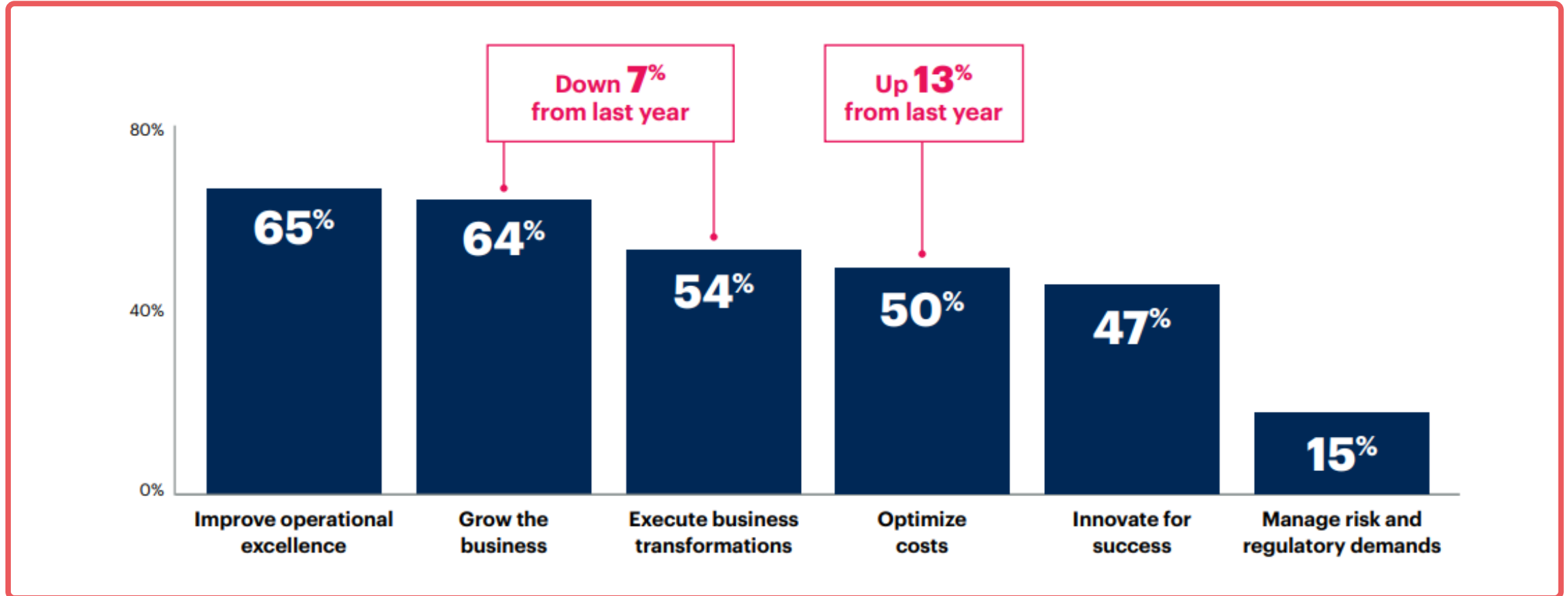


- ...is continuing to work remotely
- ...are working in new roles
- ...has been impacted and/or replaced by automation
- ...has not changed
- ...are performing new tasks/activities in their work
- ...has been redeployed to different functions of the business
- ...has been impacted and/or replaced by outsourced service providers

**Despite a year of upheaval, the core tenet of HR remains unchanged: to support the business in building the people and organizational capability to deliver its strategy and create sustainable value for its stakeholders.**

# organizational priorities for HR in 2021

Gartner HR priorities survey



n = 874 HR leaders

Note: Respondents were asked to select their top three priorities, in rank order, based on their importance to their organization over the next 12 months.

Source: Gartner 2021 HR Priorities Survey



# as played out in the news



## American Airlines

looks ahead after posting \$8.9bn loss. Introduced programs to right-size its frontline and management teams, impacting 20,000 employees, 30% of management and support staff, and more furloughs.



## HSBC

The bank's restructuring program included cutting 35,000 jobs, slashing \$4.5 billion in gross costs. HSBC has been a full-service U.S. bank for 40 years but is now reportedly weighing up a complete exit from U.S. retail banking.

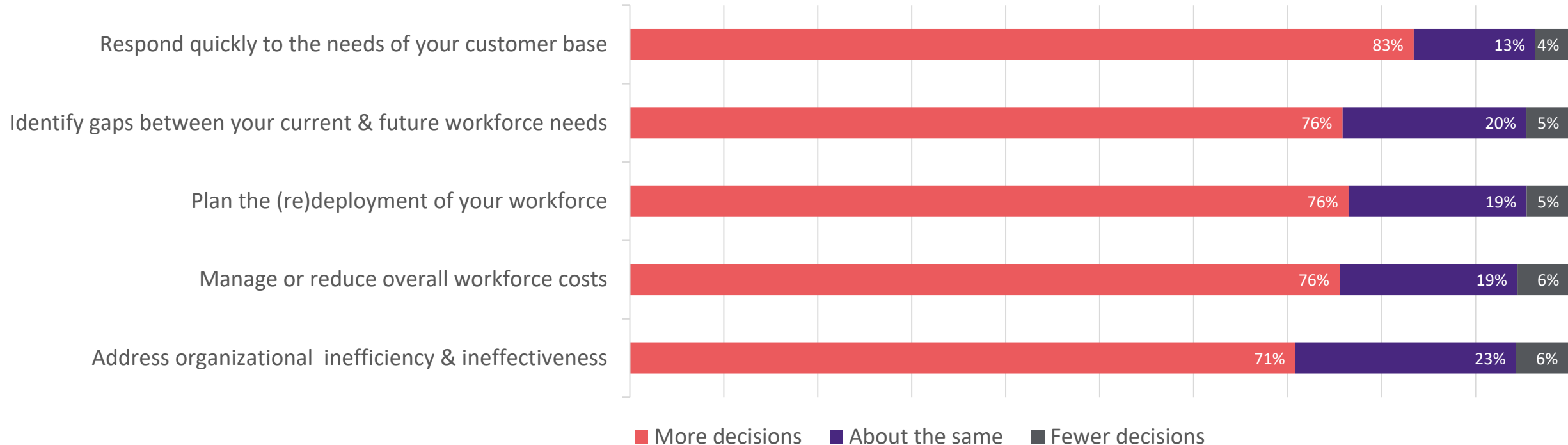


## Farfetch

enjoyed the most dramatic turnaround. Its market capitalization grew by a whopping 475 percent in 2020. In November, the company inked a blockbuster deal aimed at accelerating its expansion in China.

# organizations have had to adapt

# of workforce decisions has increased dramatically



“There’s never been a better time to be in HR from a strategic point of view. We are the function that leaders are turning to now, and our ability to influence and lead the business has never been greater.”

Caroline Fanning, CHRO, Avanade

## How has your organization been affected?

When it comes to the current state of your organization and its workforce, you feel:

- A. I'm in complete control and changes in my organization are well-planned and executed
- B. I've dealt with the worst and the organization is returning to stability
- C. I've been fire-fighting for 12 months and I'm concerned about what changes are next

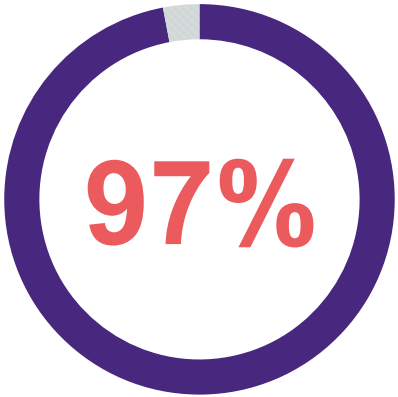
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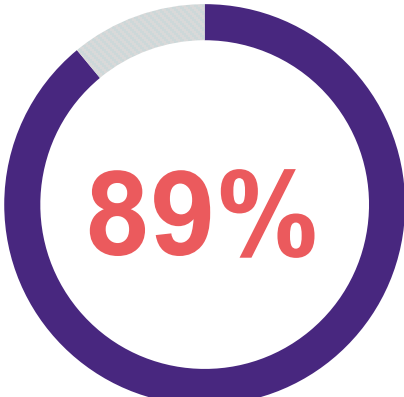
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**Organizations are under immense pressure to make the right workforce related decisions as the business environment changes. There are many factors that need to be considered when making a decision such as time, the availability of information and levels of confidence.**

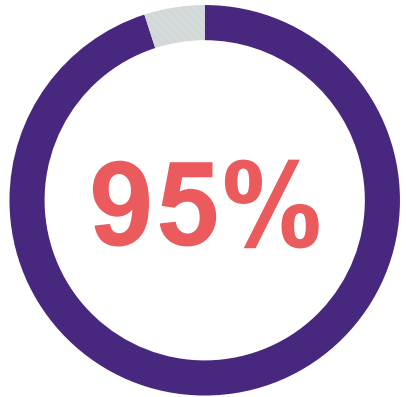
# pressure to make the right decisions is higher than ever



agree that workforce decisions now are far **more important** than ever



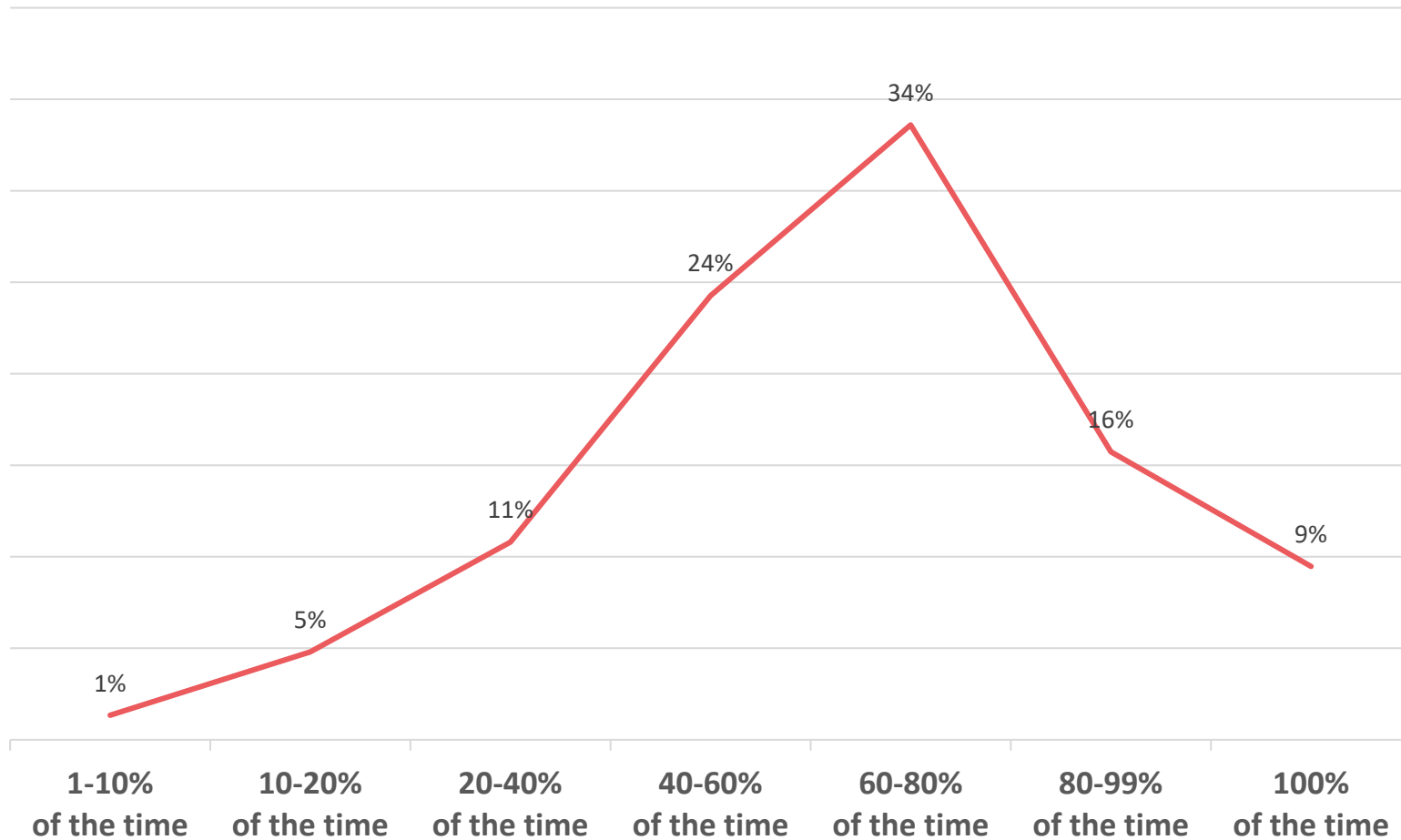
agree that the impact of workforce decisions now **last far longer** than ever



agree that workforce decisions now require much **more consideration and analysis** than ever

# access to the right information is critical

how often do you feel you have access to the data to be able to make a decision?



92%

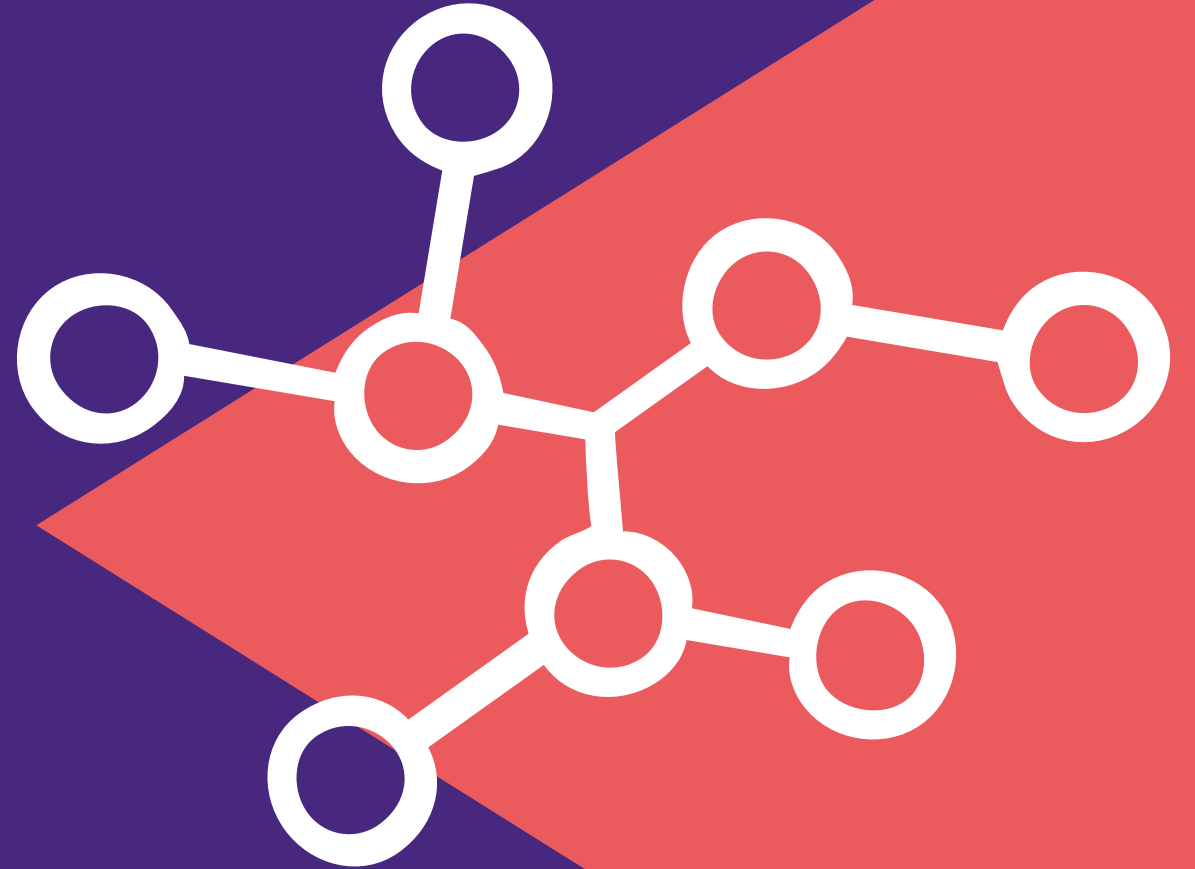
agree that time-to-decision will be a key success metric for organizations

Organizations with access  
to the right information  
make decisions quicker and  
see **16% higher annual  
profits** than those that don't





# a story in data



**“You have to enable, for the organization, a focus on innovation and agility. You have to provide information and insights that are easy to consume and enable the organization to make business decisions quickly.”**

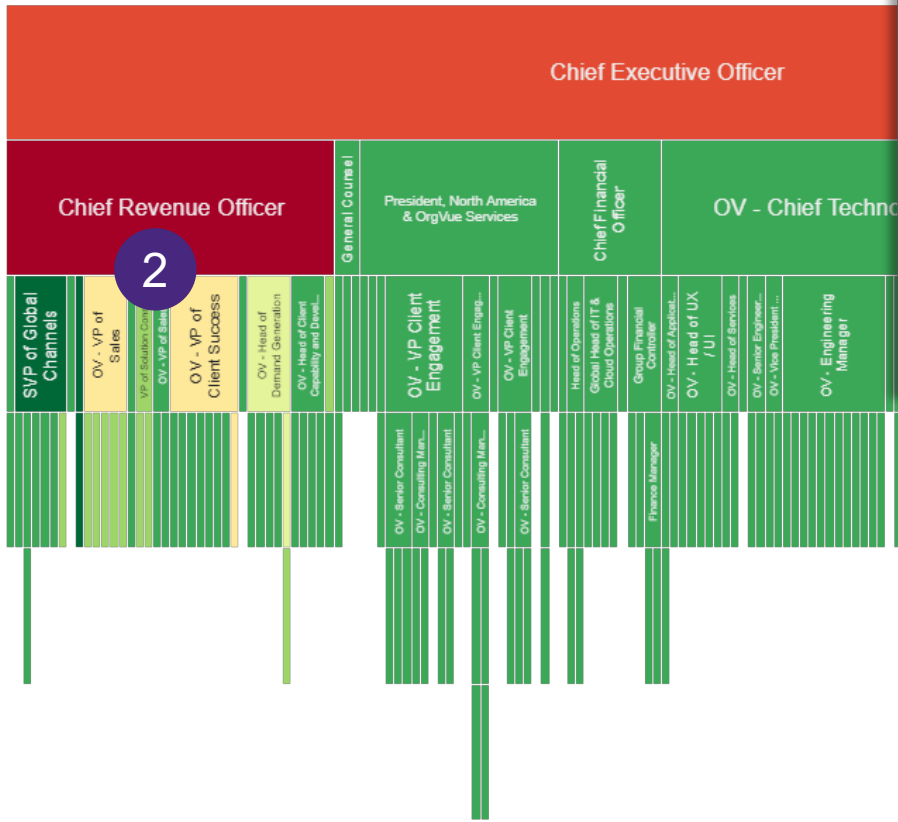
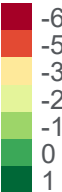
**Dawn Klinghoffer, people analytics lead, Microsoft**

Size, composition & cost	Age & generation profile	Diversity	Tenure & turnover	Spans & layers
<ul style="list-style-type: none"> <li>Total headcount</li> <li>Total FTE</li> <li>Proportion of part-time employees</li> <li>Proportion of contingent employees</li> <li>Total compensation costs</li> <li>Average compensation per employee</li> <li>Total salary costs</li> <li>Average salary per employee</li> <li>Total bonus costs</li> <li>Average bonus per recipient</li> <li>Proportion of employees receiving bonus</li> <li>Revenue per FTE</li> </ul>	<ul style="list-style-type: none"> <li>Average employee age</li> <li>Proportion of employees in each age group</li> <li>Proportion of employees in each generational cohort</li> <li>Average retirement age</li> <li>Average age to retirement</li> <li>Proportion of employees within 5 years of retirement</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of female/BAME employees</li> <li>Proportion of female/BAME employees in top three organization layers</li> <li>Proportion of female/BAME people managers</li> <li>Proportion of female/BAME succession candidates</li> <li>Proportion of female/BAME HiPos</li> <li>Percentage salary difference</li> <li>Proportion of female/BAME employees receiving a bonus</li> <li>Percentage bonus difference</li> </ul>	<ul style="list-style-type: none"> <li>Average tenure</li> <li>Proportion of employees in each tenure category</li> <li>Employee turnover rate</li> <li>Voluntary turnover rate</li> <li>Involuntary turnover rate</li> <li>Average tenure of leavers</li> <li>Average age of leavers</li> <li>Proportion of employees in each leave reason category</li> <li>Recruitment misfire rate</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of people managers</li> <li>Average span of control</li> <li>Total number of layers</li> <li>Proportion of employees within 5 layers of the CEO</li> <li>Proportion of micro teams</li> <li>Proportion of one-on-one reporting Relationships</li> <li>Reporting grade compression</li> <li>Reporting grade dispersion</li> </ul>
Management complexity	Recruitment & succession coverage	Employee moves	Position management	Position lifecycle management
<ul style="list-style-type: none"> <li>Total size of reporting line</li> <li>Total number of direct reports</li> <li>Total number of sub-functions in span</li> <li>Total number of locations in span</li> <li>Manager to team member grade difference</li> <li>Team member grade differences</li> <li>Working hours overlap</li> <li>Proportion of new joiners in team</li> <li>Proportion of under performers in team</li> </ul>	<ul style="list-style-type: none"> <li>Internal recruitment rate</li> <li>Average time to fill</li> <li>Proportion of positions unfilled after 3 months</li> <li>Succession</li> </ul>	<ul style="list-style-type: none"> <li>Total number of joiners</li> <li>Total number of movers</li> <li>Total number of leavers</li> <li>Proportion of employees with reporting line change</li> <li>Proportion of employees changing position</li> <li>Proportion of employees promoted</li> <li>Proportion of employees moving laterally</li> <li>Average duration in the same position</li> <li>Average duration at the same grade</li> <li>Proportion of tenure in current position</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of roles to total headcount</li> <li>Ratio of positions to total headcount</li> <li>Ratio of fixed to variable roles</li> <li>Average number of positions per variable role</li> <li>Proportion of unique positions (excluding fixed roles)</li> </ul>	<ul style="list-style-type: none"> <li>% of filled positions</li> <li>% unfilled positions</li> <li>Position change status <ul style="list-style-type: none"> <li>Number of 'Resourced' positions</li> <li>Number of 'New' positions</li> <li>Number of 'Vacated' (unfilled positions)</li> <li>Number of 'Removed' positions</li> <li>Number of positions with 'No Change'</li> </ul> </li> </ul>
Full organization size & cost	Workforce tracking	Talent transition management	Exit management	Activity analysis
<ul style="list-style-type: none"> <li>Fully resourced organization size</li> <li>Fully resourced organization cost</li> <li>Future fully resourced organization size</li> <li>Future fully resourced organization cost</li> <li>Change in organization size</li> <li>Change in organization cost</li> </ul>	<ul style="list-style-type: none"> <li>Headcount gap: actual and forecast</li> <li>Headcount gap: actual and target</li> <li>Headcount gap: forecast and target</li> <li>Workforce cost gap: actual and forecast</li> <li>Workforce cost gap : actual and target</li> <li>Workforce cost gap : forecast and target</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees in talent process</li> <li>Number of to-be positions</li> <li>Net change as-is to to-be</li> <li>Status of employees at by process stage (Slated, Selected, Confirmed, In Exit Process)</li> <li>Proportion of employees w/changed reporting line</li> <li>Proportion of employees w/changed grade</li> <li>Proportion of employees w/changed location</li> <li>Proportion of employees w/changed function</li> <li>Impact of selection decisions on D&amp;I profile</li> <li>Impact of selection decisions on age/tenure profile</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees in exit process</li> <li>Total compensation of employees in exit process</li> <li>Status of employees at each exit process stage</li> <li>Planned severance costs</li> <li>Actual severance costs</li> <li>Payroll costs removed (total compensation of exited employees)</li> </ul>	<ul style="list-style-type: none"> <li>Total process time; Total process cost</li> <li>Total activity time; Total activity cost</li> <li>Total time by activity level; Total cost by activity level</li> <li>Total time by activity type; Total cost by activity type</li> <li>Proportion of time spent on activities not core to defined roles</li> <li>Number of activities per employee</li> <li>Number of employees per activity</li> <li>Number of employees per activity responsibility</li> <li>Activity fragmentation index</li> <li>Proportion of time spent on avoidable rework</li> </ul>

# identify areas for growth (or reduction)

How are we achieving our target mandate to grow sales and focus on the Americas?  
Which leaders need further investment and have budget to do so?

Headcount Delta



Chief Executive Officer	
Compensation Delta	-US\$0.11M
Compensation Target	US\$16.01M
Compensation Actual <sub>(sum)</sub>	US\$15.90M
Headcount Delta	1 -5
Headcount Target	222
Headcount Actual	217

- 1 Overall, we need to invest approximately 5 heads
- 2 The main area that is underinvested and requires growth is with the Chief Revenue Officer

# drill down to focus on planning activities

Which roles require further investment and in which regions?

Is there anywhere we can repurpose to better focus our growth?

1 Roles to invest in are Americas Sales, Client Success

2 There may be an opportunity to repurpose budget in EMEA Sales

Chief Revenue Officer	
Department	ExCo
Region	Americas
Compensation Delta	-US\$0.15M
Compensation Target	US\$4.46M
Compensation Actual(sum)	US\$4.30M
Headcount Delta	-6
Headcount Target	58
Headcount Actual	52

1

OV - VP of Sales Americas	
Department	OrgVue Sales
Region	Americas
Compensation Delta	-US\$0.18M
Compensation Target	US\$0.79M
Compensation Actual	US\$0.61M
Headcount Delta	-3
Headcount Target	9
Headcount Actual	6

OV - Head of Demand Generation	
Department	OrgVue Marketing
Region	EMEA
Compensation Delta	-US\$0.13M
Compensation Target	US\$0.54M
Compensation Actual	US\$0.41M
Headcount Delta	-2
Headcount Target	9
Headcount Actual	7

2

OV - VP of Sales EMEA	
Department	OrgVue Sales
Region	EMEA
Compensation Delta	US\$0.15M
Compensation Target	US\$0.20M
Compensation Actual	US\$0.35M
Headcount Delta	2
Headcount Target	1
Headcount Actual	3

OV - VP of Client Success	
Department	OrgVue Client Success
Region	EMEA
Compensation Delta	-US\$0.20M
Compensation Target	US\$0.80M
Compensation Actual	US\$0.59M
Headcount Delta	-3
Headcount Target	12
Headcount Actual	9

VP of Solution Consulting	
Department	OrgVue Sales
Region	EMEA
Compensation Delta	-US\$0.05M
Compensation Target	US\$0.33M
Compensation Actual	US\$0.27M
Headcount Delta	-1
Headcount Target	4
Headcount Actual	3

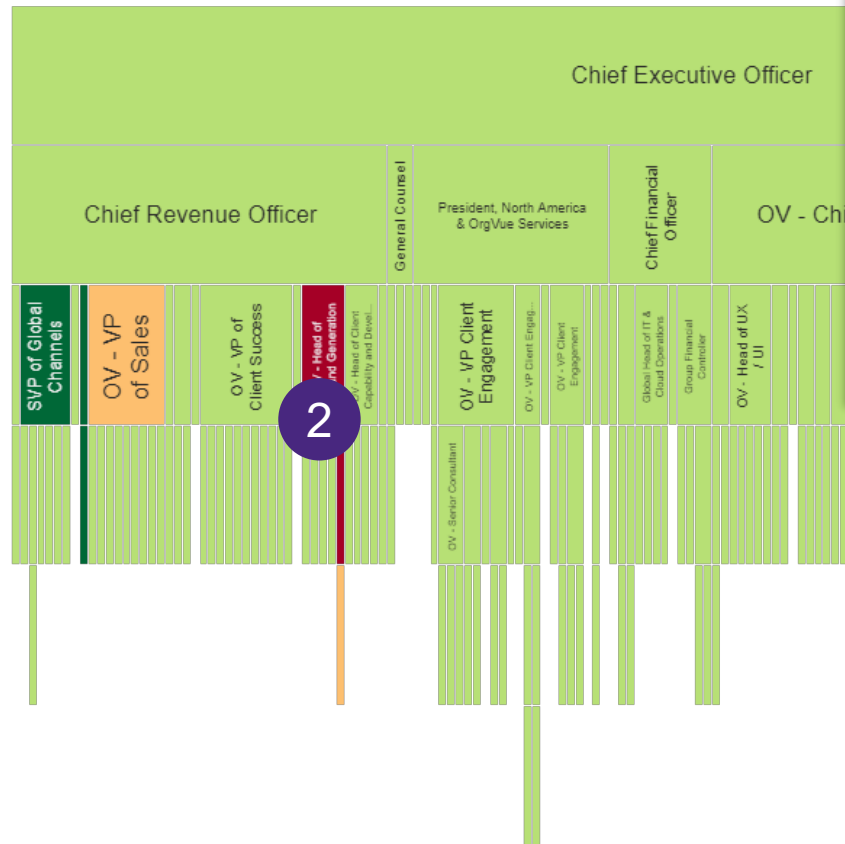
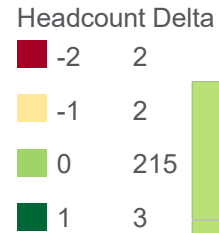
SVP of Global Channels	
Department	OrgVue Sales
Region	EMEA
Compensation Delta	US\$0.14M
Compensation Target	US\$0.59M
Compensation Actual	US\$0.73M
Headcount Delta	1
Headcount Target	7
Headcount Actual	8



# review the plan and iterate

How has my plan impacted the targets?

Do I still have areas to improve?



Chief Executive Officer	
✓ Compensation Delta	US\$0.28M
Compensation Target	US\$16.01M
Compensation Actual <sub>(sum)</sub>	US\$16.29M
✓ Headcount Delta	0
Headcount Target	222
Headcount Actual	222

1 We've increased the headcount in the right areas and are on target, only slightly over budget by \$0.28M

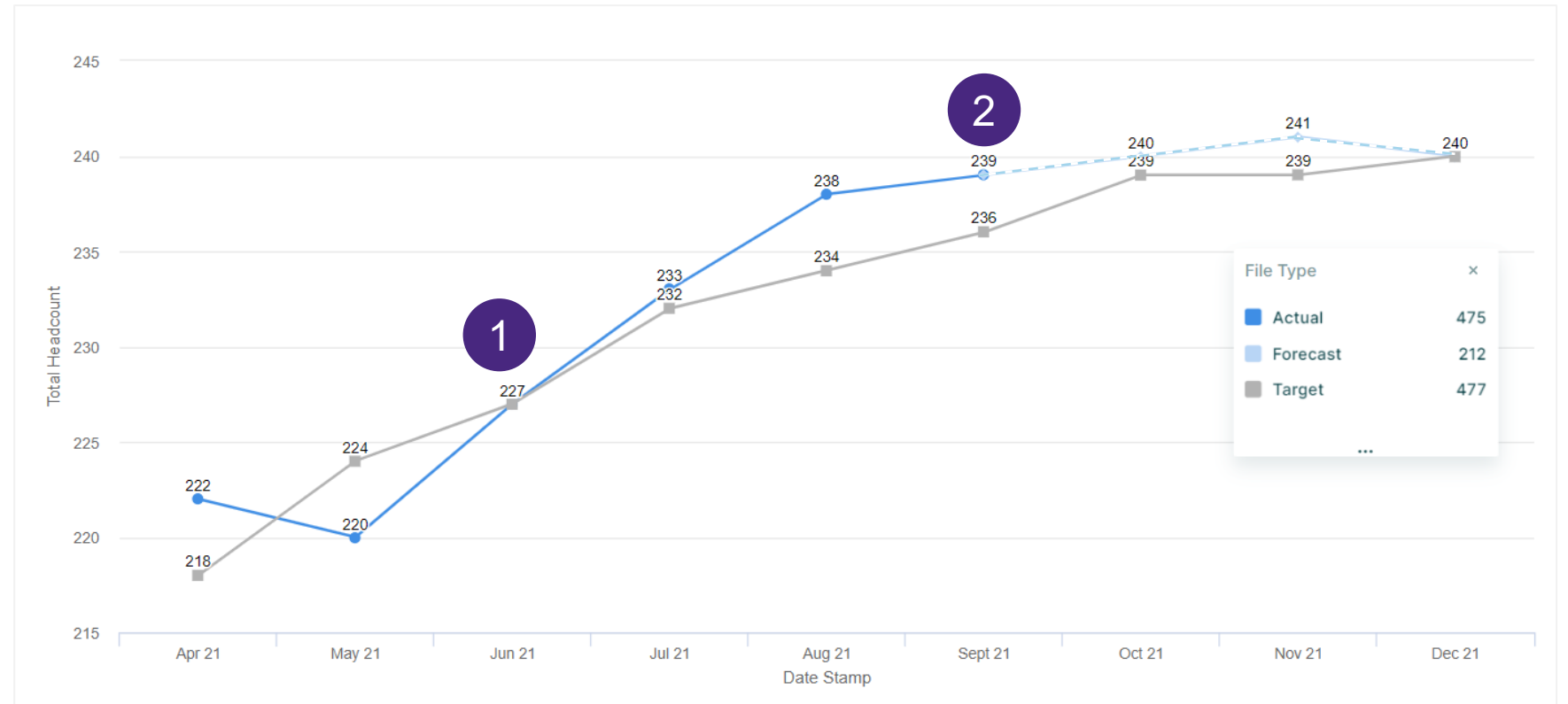
2 We may still want to investigate increasing headcount in Demand Generation Roles

# track adherence to the plan

How have we adhered to our plan and do we need to plan a correction?

Where are we forecasted to be by the end of year?

- 1 We did not achieve our plan until June 2021
- 2 Currently we are in September 2021 and are over target; we plan to slow growth until 2022





## Where are you on your data-driven journey?

Does your data show you how your organization can evolve over the next 12 months?

- A. We don't have enough data so we're using some guesswork
- B. We have the right data, but cannot easily see what insights it might reveal
- C. We have the right data and the right insights to guide us forward

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# data will unlock agility

know your workforce, what they do, what they cost, and how the organization can adapt

## Go faster

- Ditch the spreadsheets
- Create a real-time-all-the-time view of your organization
- Get those 'a-ha' moments only possible through visualizations
- Take action at the pace of doing business today

## Go further

- Analyse new dimensions and get forensic
- Model different 'what if' scenarios
  - E.g. How do we expand the workforce into new markets?
  - E.g. Which roles will be redesigned, which positions redeployed or redundant?
  - E.g. What work can be performed remotely, in person, on site?

## Go forward

- Lead with confidence with data evidence behind every decision
- Become a trusted advisor to the C-suite on the future of the organization

# continuous change is inevitable

## changing consumer trends

300 million online shoppers in the US by 2023 – that's 91% of the population

Statista digital buyers 2017-2024

## skills shortage & competition

65% of children entering school today will work in jobs that don't yet exist

The Future of Jobs, World Economic Forum, 2016

## automation

CHROs believe 14% of existing jobs are at risk of automation over the next 3 years

CEB Future of Work 2018 benchmark report, 2018

## diversity

Firms with more diverse leadership have 19% higher innovation revenues

Boston Consulting Group, 2018

## environmental & social governance

BlackRock will start voting against c-suites that aren't taking climate change seriously

Larry Fink's annual CEO letter 2020

## new entrants to the market

Visa buys Plaid for \$5.3B. The 8-year old fintech raised funding at \$2.65B valuation the year before

Forbes, January 2020

## economic disruption

Global economy will grow by 5.5% after severe collapse in 2020. Recovery will be slow

World Economic Outlook, January 2021

....

how will your organization be impacted?

# move at the pace of the market

data will unlock agility

## design

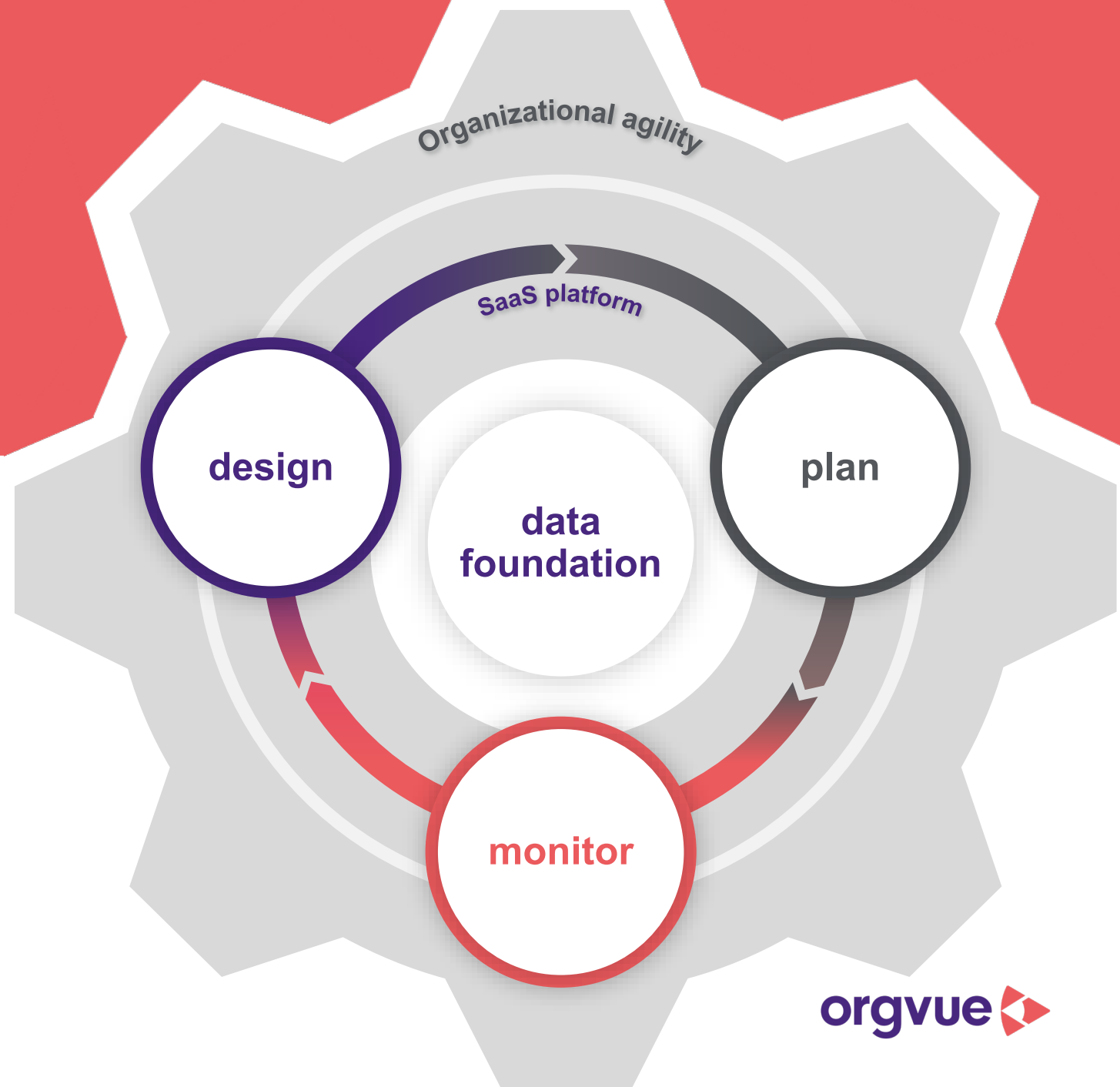
Understand the work, design and model the future to effectively connect the work, and the workforce.

## plan

Plan how you'll fulfil and execute the models you've created and begin to operationalize your strategy.

## monitor

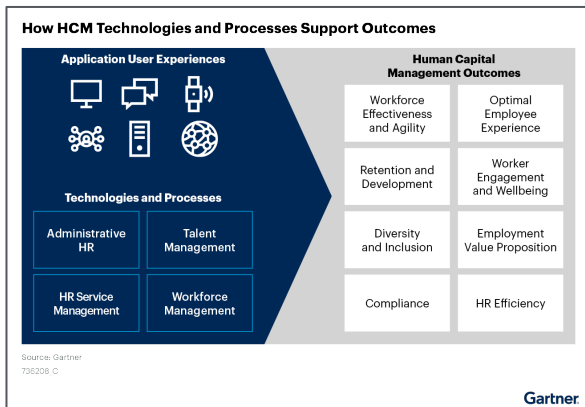
Monitor the organization to spot opportunities and course-correct in-flight initiatives before its too late.



# resources

available at [orgvue.com/resources](https://orgvue.com/resources)

## Gartner Predicts 2021: HCM Technology Transformation



<https://www.gartner.com/doc/reprints?id=1-24MJQM59&ct=201119&st=sb>

## 'Enduring change': case studies on transformation



<https://www.orgvue.com/resources/ebook/enduring-change-organizational-transformation-in-a-rapidly-moving-landscape/>

## Future of HR podcast with Dave Ulrich & Google



<https://www.myhrfuture.com/digital-hr-leaders-podcast/2021/1/12/the-future-of-hr-with-dave-ulrich-brigette-mcinnis-day-google-and-rupert-morrison-orgvue>

## Talk to us



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# thank you

Q&A



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- [Engaging Employees in Their Healthcare in the COVID-19 Environment \(February 24 @ 2pm ET\)](#)
- [Supporting Employee Emotional Well-being with Mindfulness \(March 2 @ 2pm ET\)](#)

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