

HR Survey 2019 NL BE

A glimpse into performance impact areas for HR professionals



Foreword

Having worked with numerous HR professionals who play a pivotal role in achieving successful business outcomes – I find that in most cases, their ability to enhance performance comes from their genuine care and understanding of people, personal authenticity and wisdom of choice.

They display a drive to make the organization they work in a more human place. One where performance can thrive and where people can be themselves and express their views in the pursuit of excellence. This report and its underlying survey are an attempt to listen & ignite thought. The driving inspiration was to add a small contribution to the existing body of knowledge, ensure that stock was taken as to the current state of play and to share possible insights with our contributors as well as eventually with our existing and future clients.

We would like to thank all the executives that made this report possible by contributing their time and expertise – to them we are indebted.

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Introduction

Most business leaders tend to mention their people as the most critical contributor to their business success. Human talent, leadership and ingenuity often are the determinant factors in an organization's success in the market and its long term impact. This puts HR at the core of organizational performance, after all, people are their primary domain.

We believe that organizations that have HR as a critical business partner in their way of doing business, do better. This particularly occurs when HR and business executives ensure joint responsibility in their objectives, and come to a mutual understanding of how they will work together to deliver them. With this survey we aim to check our understanding based on experience and observation. We connected with HR professionals in Belgium and the Netherlands in order to capture their views on people performance in their organizations.

Half-way into the process we came to the conclusion that we needed to approach experienced business leaders from our network to put the HR responses into context.

This comparative really paid off as several insights that were key to business performance emerged from the data that would have otherwise not become apparent.

In addition to highlighting the above findings, we conclude the report with a brief analysis of organizational performance and how the people element fits in it. This combines the individual statements of the survey into a structure that helps to contextualize what their implications are to performance. Our hope is that everyone that participated will gain new insights that they can apply, and that it stimulates HR and business leaders to come together and address some of the themes that emerged from the data and that are relevant to their respective organizations.

Our journey in producing this report focused our own views onto what HR and business leaders have told us with respect to the areas that they will need to tackle to continue supporting their organizations.





KEY HR FINDINGS

In reviewing the data we received from the HR executives that participated, the following key themes emerged:



ALIGNMENT TO COMPANY GOALS

A large majority of HR respondents agree that their people have the end in mind. This is consistent with 78% agreeing that their leaders make it a priority to help people understand the purpose and impact of their objectives.

People who have a good understanding of what their organization is trying to achieve, are better able to align themselves and their work. This impacts in the following two areas:

IMPROVED DECISION MAKING

The quality of decision making increases throughout the organization, as people are aware of the context by which they can judge their decisions in terms of quality, impact and relevance.

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INCREASED PRODUCTIVITY

Reductions of the amount of non-productive work, i.e. a rise in productivity. This appears to be supported by the surveyed HR professionals with a twothirds majority stating that it is uncommon for their teams to pursue goals that don't fit with the company objectives.

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We would like to highlight the impact of leadership behavior on people's ability to align to goals. The key point is that leaders need to take a stance on personally committing their alignment to the company goals. This ought to be evident to their people, not only through consistent face-to-face communication, but also by reprioritizing what they do and adjusting how they do it. People have a good understanding of what the organizations is trying to achieve Leaders make it a priority to help people understand the purpose and impact of their objectives

78%

72%







DRIVING PERFORMANCE



Performance can be measured in many ways, though ultimately, it comes from succeeding with customers.

The large majority of HR professionals agree that people in their organization are in touch with the needs of their customer (83%).

In addition, 81% of them have indicated that people have the drive to go for challenging goals. The combination of the two drivers allow the organization to ensure the right focus, while providing sufficient fuel to achieve the desired outcome.

One can question whether this goes far enough towards the organization being in a position to ensure the customer experience required to fulfill their value proposition. But it is encouraging to see the core drivers in place.



A customer experience cannot be delegated to the sales department. Understanding the needs of the customer means understanding what they value and what they don't, requiring a total organizational approach, and a new customer centric mindset. In these two areas, HR play a pivotal role as a business partner.



ORGANIZING FOR SYNERGY

Only 40% of HR respondents believe that their organizational structure helps people work together and perform better. Clearly, the result indicates a need to take a closer look.

OUTDATED STRUCTURES

It isn't uncommon to come across companies with an organizational structure that doesn't support the company strategies and the work that needs to be carried out. In many cases, we find companies with structures that have not changed for some time and thus do not match the new realities of the market.

A PROCESS DRIVEN STRUCTURE

It is good practice to follow the old

adage that structure follows strategy. Priority should be given to processes that have a direct impact on delivering our strategic value proposition to customers.

The complexity in trying to deliver the customer experience by its very nature implies trans-functional processes which go across the whole organization. Efficiency and decision making across departmental borders is essential for performance and maintaining the energy and drive of people.

Organizational structures that accommodate these trans-functional processes ought to be explored. Less than half of respondents agree that the organizational structure helps people work together and perform better

40%



Process driven structures stimulate synergies and imply cross-departmental collaboration

LEVEL OF EMPOWERMENT

About half of HR professionals believe that their people are empowered

51%





How can people empower themselves?

Empowerment was the second lowest rated item in our survey with approximately half of respondents stating that their people are empowered.

In asking ourselves why this could be the case, in other words, why is it so difficult to empower others, we ended up discussing two factors of resistance:

One, our management difficulty in giving up apparent control. And two, the need for a paradigm shift in terms of mindset and behavior. For example, we've come across companies that confuse delegation with empowerment, thus not reaching the latter. The need for the paradigm shift is evident.

In coaching senior people in business we find that the level of discomfort with respect to finding new mental models (paradigms) and letting go of control can be a major impediment to them succeeding in truly empowering others.

HR have a key role in supporting leaders through such a journey.



ARE LEADERS EFFECTIVE AT COACHING OTHERS?

Only a quarter of respondents believe that leaders in their organization are effective at coaching others.

We find this to be significant, given that coaching is fundamental to performance, as it supports people in every area that affects it: the goals that they go for; the confidence to execute them; the quality and amount of learning done; the guidance whilst executing; managing change.

BE GIVEN THE RIGHT TO COACH

There are many reasons why coaches fail, but there is one that seems to matter the most – *Leaders have not been given* the right to coach by individuals that report to them.

Many managers tend to lead from their authority, but this is less effective when coaching. To be given the right to coach is about the other person feeling safe and committing to change with you. It is something that you can't demand from others – *it can only be given*.

If leaders and their people are not able to cross this hurdle, every effort could feel like an uphill battle, advice and guidance will fall on deaf ears, and the working relationship may suffer as a consequence.

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Only a quarter of respondents agree that leaders in their organization are effective at coaching others

25%



Leaders exploring the competencies required to be given the right to coach, would be time well spent. WE ASKED THE HR GROUP FOR AREAS THAT WERE NOT MENTIONED IN THIS SURVEY WHICH THEY CONSIDERED TO BE VITAL FOR PEOPLE'S IMPACT ON THE BUSINESS, HERE ARE SOME OF THEIR ANSWERS:

LINKING PERSONAL PURPOSE TO THE COMPANY PURPOSE

THE VITALITY OF PEOPLE

ENABLING PEOPLE THROUGH INNOVATION & TECHNOLOGY

> PERSONAL GROWTH, VALUES & BEHAVIOR

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UNEDITED OBSERVATION FROM AN HR RESPONDENT

Our facilitating infrastructure (IT-systems) is not helping our people to work together effectively. Our leadership culture is in flux: from top-down command & control moving towards empowerment. But still lingering in the C&C corner. This has the biggest negative effect on our people's contribution to the business.







BUSINESS COMPARATIVE

In conducting the survey, we approached a number of business leaders requesting them to participate. We did this to put the results into perspective.

The following highlight the 3 areas where there was the largest differential between the HR and business groups:





GOAL SETTING

There seems to be a clear gap between the business and HR group when it comes to the goals that people and teams pursue.

In general, the business group appears to be confident about the level of ambition and strategic alignment of the goals that people and teams set for themselves, but are significantly less so than the HR group.

AMBITION LEVEL The HR group

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members were confident that their people had the drive to go for challenging goals (81%), while the business group is significantly less so (66%).

STRATEGIC ALIGNMENT

A gap also exists between both groups when asked about the strategic alignment of the goals that teams pursue. The business group, once again, scored lower (66%) than the HR group (79%). Teams pursue goals that don't fit with the company objectives

> -13% Relative to HR

People have the drive to go for challenging goals







RESPONSIVENESS

People are good at coordinating a response to an emergency or crisis



eople understand the rules and procedures and follow them





When an organization has clear rules and procedures that are understood by its people, their effectiveness in coordinating a response to an emergency or crisis tends to improve.

Indeed, it is no surprise that both statements were scored highly by both groups.

However, the business

group was generally more confident about their people's ability to coordinate a response to an emergency or crisis (85% vs 68%).

And in a similar way, they rate their people at a higher level than the HR group with respect to understanding and following the rules and procedures set by the company (78% vs 68%).





THE EFFECTIVENESS OF LEADERS

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showing the way

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Both groups agree that their leaders make it a priority to help people understand the purpose and impact of their objectives (80%). Also, only 28% of them agree that leaders and managers are effective at coaching others.

In general, the business group is more confident in these two elements.

This can be seen by the gap regarding leaders making it a priority to help people understand the purpose and impact of their objectives (+7%), as well as the gap relating to leaders and managers effectiveness at coaching others (+8%) Leaders make it a priority to help people understand the purpose and impact of their objectives Leaders and managers are effective at coaching others











WE ASKED THE BUSINESS GROUP FOR THE ONE THING FROM HR THAT WOULD HAVE THE BIGGEST IMPACT ON THEIR BUSINESS RESULTS, HERE ARE THEIR ANSWERS:





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UNEDITED ADVICE FROM A BUSINESS RESPONDENT

The main priority should be that we follow procedures, policies, mission/vision. There is a huge gap between what we say and what we do. so we say that we empower people but we invest in control measures. We say we'll do change management but we make the procedure so complex/user unfriendly that it becomes an obstacle. We want to be green but build the worst possible place to park your bicycle. These things happens in most places in the organization. Also on managers levels. People notice that what is said are just empty words and/or marketing phrases.







PERFORMANCE DRIVERS

In the following section we contextualize the survey responses into drivers of organizational performance, with a more detailed look at people performance.



ORGANIZATIONAL PERFORMANCE

STRATEGIC CHOICE

The strategic choice reflects the aspiration of the company in terms of the vision and its strategies. It provides a focal point for everyone to aim at and align their efforts to, and it plots out the best course towards a position of competitive advantage.

ORGANIZATION

In order to perform optimally one needs to know the playing field and the rules of the game. This means focusing on governance that will enable performance while keeping a healthy control of the business.



PROCESS PERFORMANCE

All the work we do in carrying out the business is delivered through processes. The level of flow and customer focus determines the success of the business.

PEOPLE PERFORMANCE

People's performance is dependent on three variables: Their drive to achieve something, their capability to do the job, and their behaviors within the organization's culture.

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Based on the results of the survey, there is agreement between both the HR and business group regarding their organizations doing well in terms of strategic choice and process performance (see aggregate scores above). People performance and organization control could indicate possible areas for improvement.

Indeed, the lowest scores were given by both groups to statements in these performance areas: *leader and managers are effective at coaching others (28%), our* organizational structure helps people to work together and perform better (40%), and our company has the right mix and use of people and talent to achieve its objectives (55%).

This would be consistent with the business group stating "shaping a culture of empowerment" (30%) as the main area where they believe HR could have the biggest impact on business results. After all, people performance and organization control are the performance areas most affected by empowerment.



→ PEOPLE PERFORMANCE



AMBITION

Ambitious people tend to be proactive in setting stretch goals for themselves, which lead them to go through steeper learning curves in the pursuit of outstanding results.

CAPABILITY

People capability is a function of their knowledge, skills, competencies, and experience.

BEHAVIOR

Our behaviors are influenced by our values and mindset. Most successful people form habits that are consistent with personal values and incorporate an inquisitive, optimistic mindset.

People's effectiveness is a function of their Ambition x Capability x Behavior.

Out of the 3 performance areas, respondents rate their people positively in terms of "ambition" (see aggregate scores above). The other two performance areas, "capability" and "behavior", could indicate possible areas for improvement, especially the former.

In terms of "capability", two things stand out: 55% of respondents agreed that their

company had the right mix and use of people and talent to achieve its objectives, and only 28% agreed that their leaders were effective at coaching others (this being one of the critical leadership skills). In terms of "behavior", what stood out was that barely half agreed that their people were empowered.

These seem to be consistent with the HR group stating *Learning & Development* as vital for people's impact on the business, as well as *personal growth*, *values & behavior*.



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IMPLICATIONS

- A. Both the HR and business groups see the need for empowerment, while the latter group stated it as the most impactful contribution that HR could support them with. Our advice is that this should be acted on, not as a project with a start and a finish, but as an ongoing way of working.
- B. In any given organization, HR practitioners need to provide expert business support on change management. The business group rated this as the second most impactful HR contribution. What makes it particularly significant is that no one from the HR group mentioned it when given the opportunity.
- C. Coaching effectiveness was scored the lowest by those that participated. Given that many respondents stated that Learning & Development was vital, we would suggest that this, in part, ought to be focused on developing this leadership skill.
- D. There seems to be a need to better match people and their capabilities to the right job. A review of critical positions to deliver the strategies could be undertaken and ensure that talent and experience is matched to these.
- E. Organizational structures don't seem to be optimal for people working together and achieving their strategic objectives. Companies could look at whether their structure is fit-for-purpose and when it was last adjusted for today's new realities.



ABOUT THE SURVEY

This survey was conducted by Perfision between February and May of 2019 amongst HR professionals in Belgium and The Netherlands. The most represented job title is HR Director.

A smaller group of experienced business people were contacted and they filled in the same survey to provide contrast and potential insights for HR.

We've been in contact with over 300 organizations and collected responses from over 70 participants.

The headcount of surveyed organizations varied from 20 employees to over 150000. The majority of organizations had over 1,000 employees and the average number was around 8,000. Surprisingly, size had little impact on how people responded.

The average number of HR employees in the surveyed organizations was about 2.4% of the total workforce.



ABOUT PERFISION

Perfision was founded on the concept of magnifying impact by supporting companies to achieve better PERFormance through vISION driven approaches.

We believe in improving tried and tested methodologies as well as in bringing new innovation to the organizations we work with, thus ensuring that whilst academically rigorous, we are practical in our approach and ensure that we go for what works. In addition, we support companies to explore new mindsets and behaviors that will enable individuals and teams to deliver more impact.

We offer:

- Tailor made workshops
- In-house change management consulting
- Company scans
- Coaching

Our training workshops will include key topics that came out as findings from this report.

For more information: <u>Register</u> to receive updates. Visit the company <u>blog</u>.

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