

*Is HR*

*The Problem? or The Secret Sauce?*

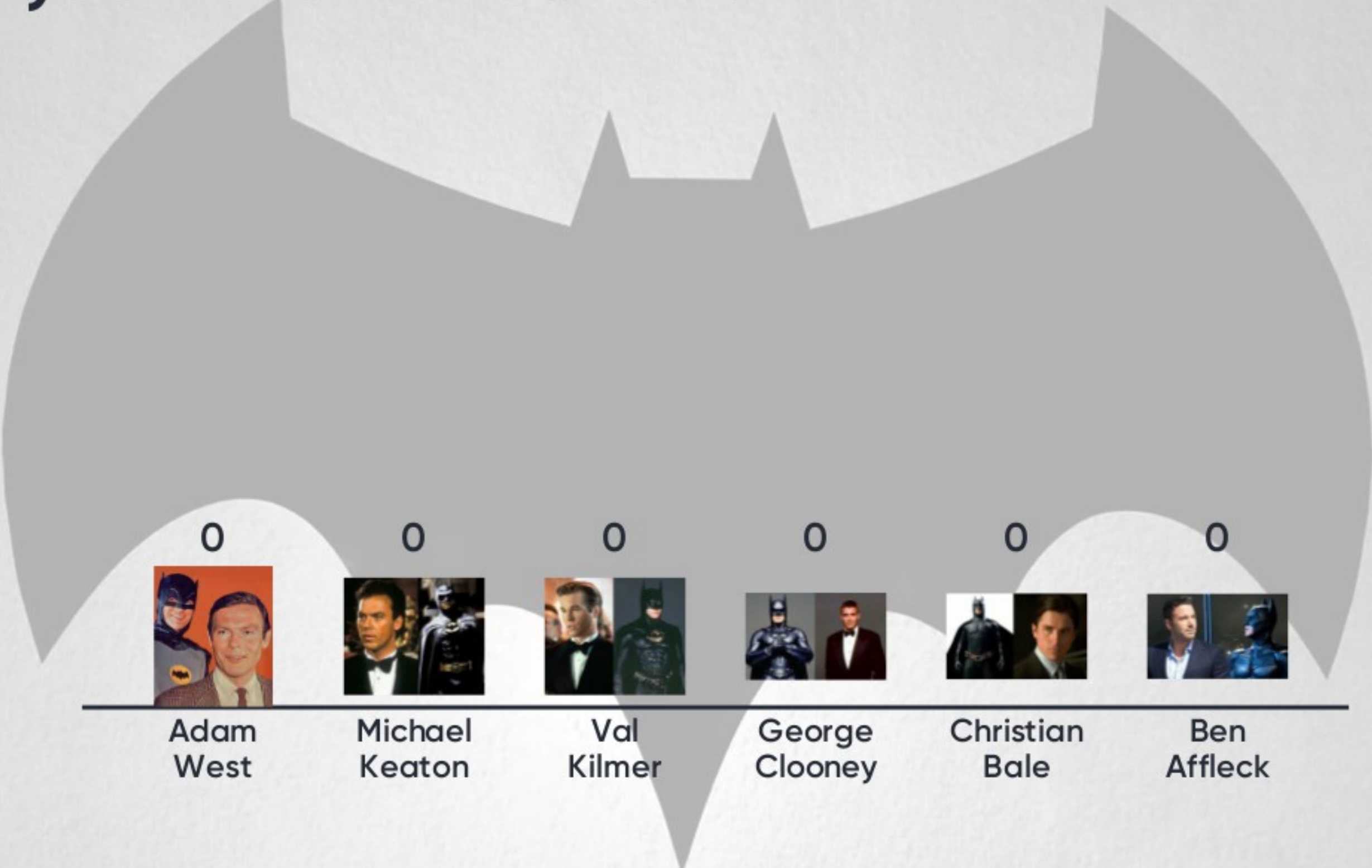
ALAA Fall Conference  
September 16-18, 2019



**LYONS HR**

# Technology Directions

# Who is your favorite Batman?



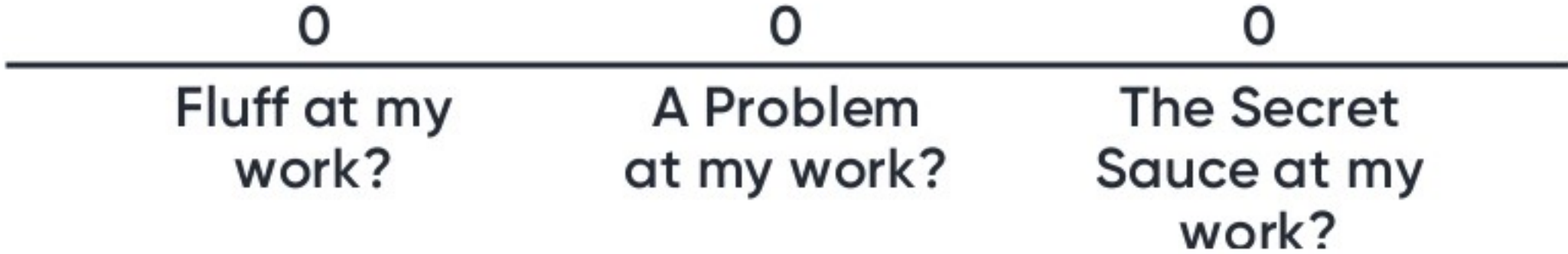
# What is an hour of your time worth?

- 1st | \$ Minimum Wage
- 2nd | \$ 10.00
- 3rd | \$ 100.00
- 4th | \$ 1,000
- 5th | \$ 10,000+

## My 3 Basic Goals:

1. Share Proven Strategies = Competitive Advantage
2. Improve Employee Retention
3. Increase Your \$ Bottom-Line

# Do you think HR is



# Tactical Requirements or **AMY's Rules...**



**“Learning Objectives”**

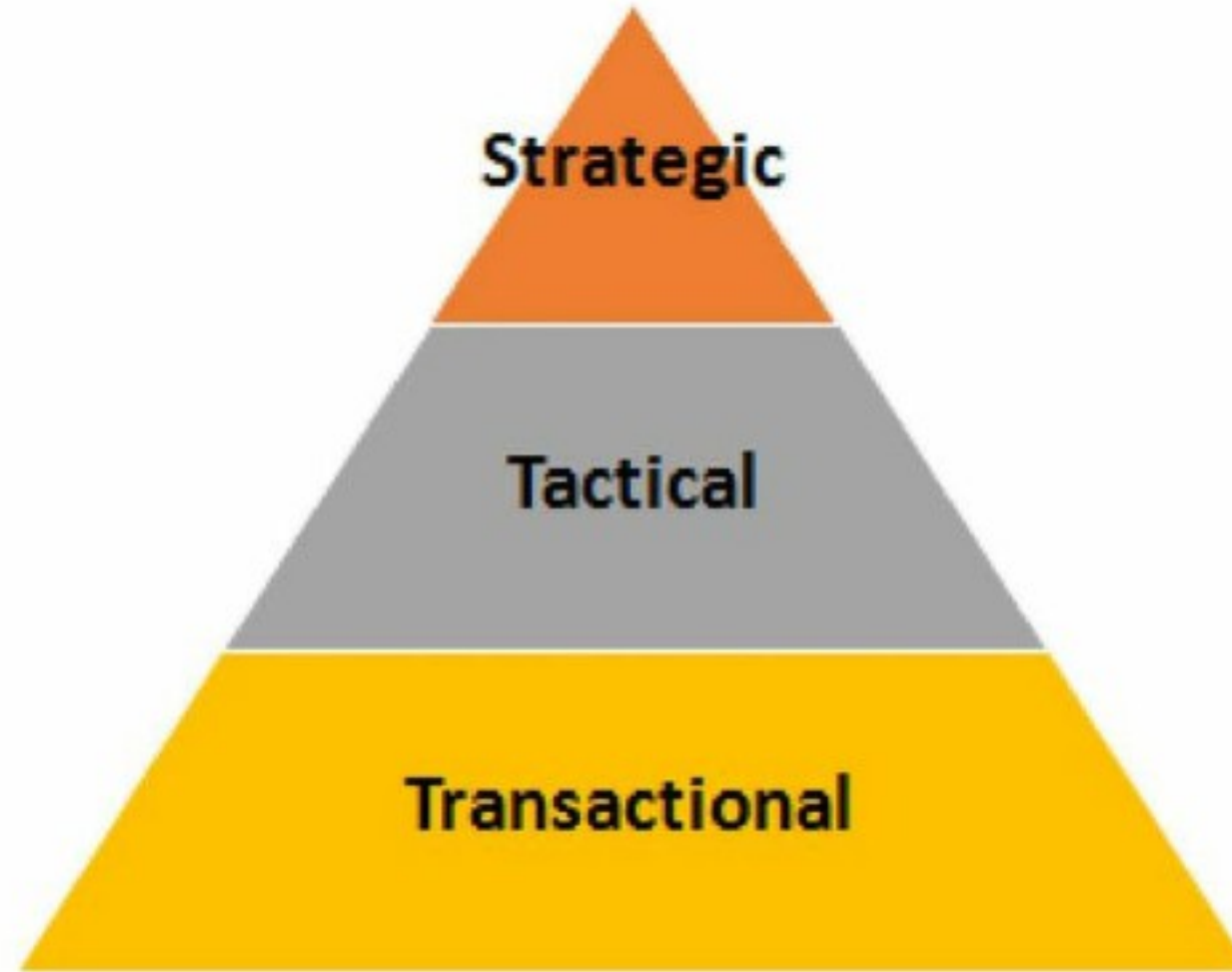
#1





#2

# HR



# HR

#3



# What Your Staff Members Told Me

#4

**AND THE  
SURVEY  
SAYS...**



#5



*You'll have the HR recipe to strengthen  
and empower your workplace!*

*Alan Ridgway*

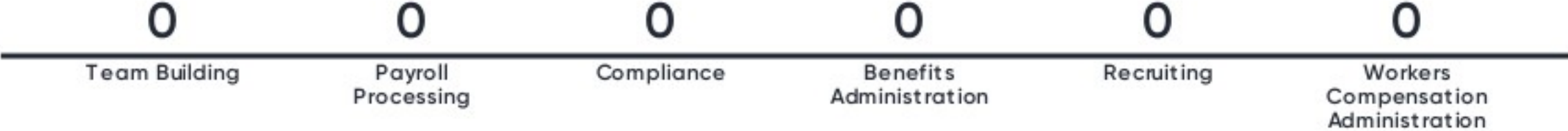


# Learning Objective #1:

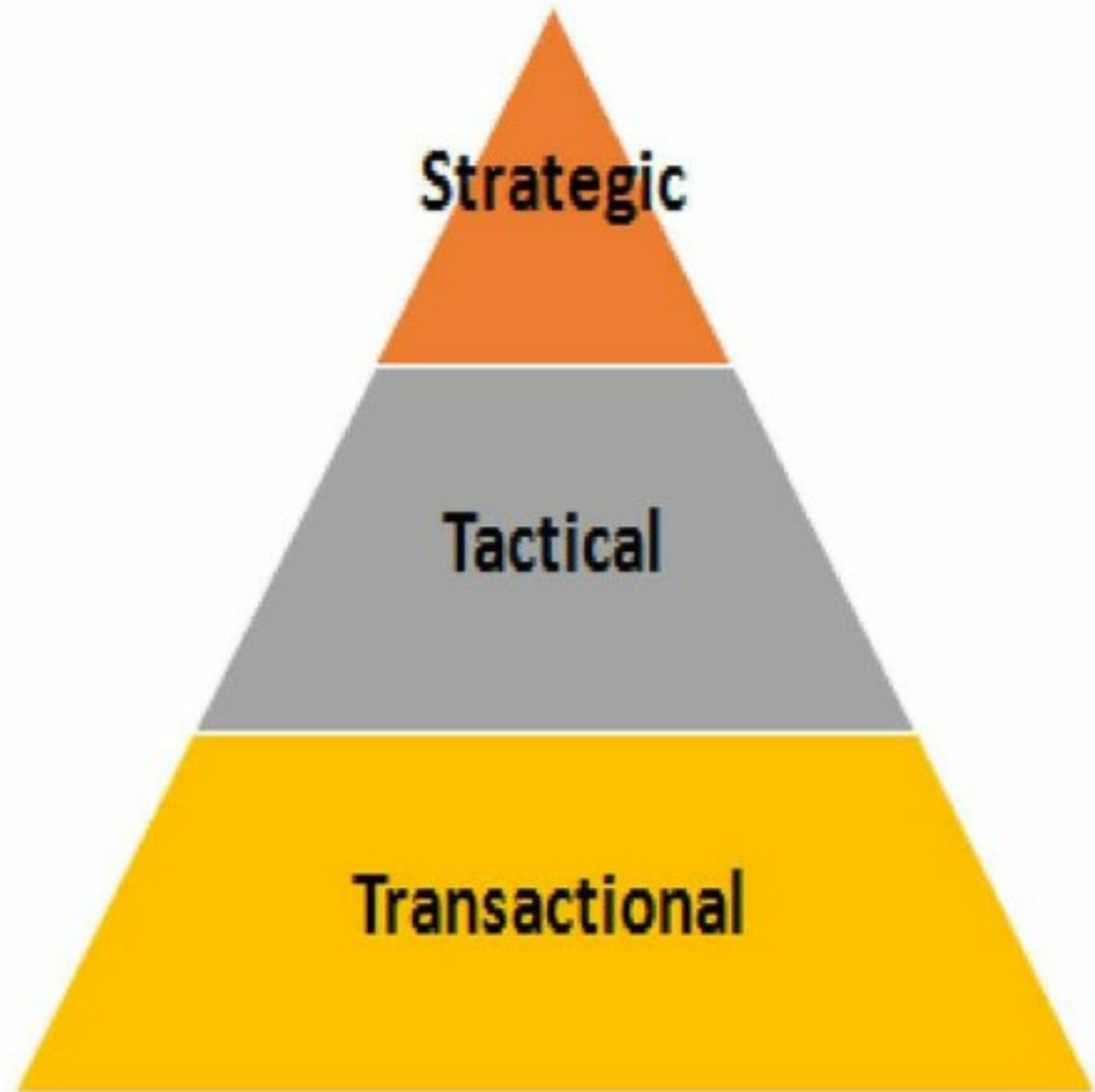
- ✓ company police
- ✓ department of “NO” or will not give me direct answers
- ✓ protects company - not employee – plays political games
- ✓ sits miles away - emphasizes policies over people
- ✓ not objective and fair - over-complicates things
- ✓ focuses on nitpicky issues instead of real problems like-  
*(morale, problem employees, turnover, pay, benefits, development, tools to do my job)*



# Which do you feel is more transactional?



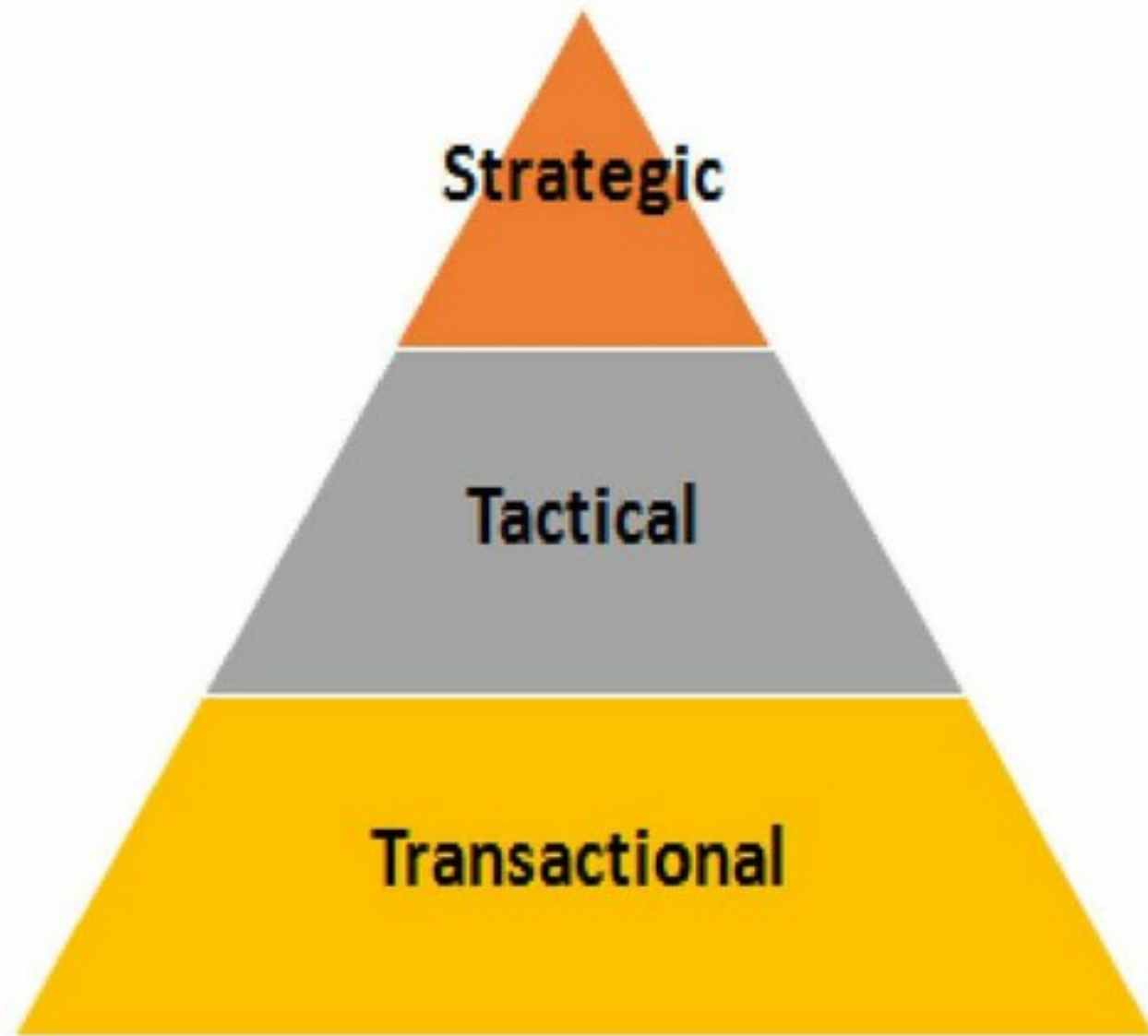
## #2 Objective: What is **Transactional** HR?



### HR activity is process-oriented like:

- time keeping
- employee recordkeeping
- PTO tracking
- processing the payroll
- benefits enrollment
- benefits bill reconciliations & adm.
- appraisal forms, employee on-boarding
- revising and publishing workplace policies
- investigating workplace issues

## Learning Objective #2: What is **Strategic** HR?



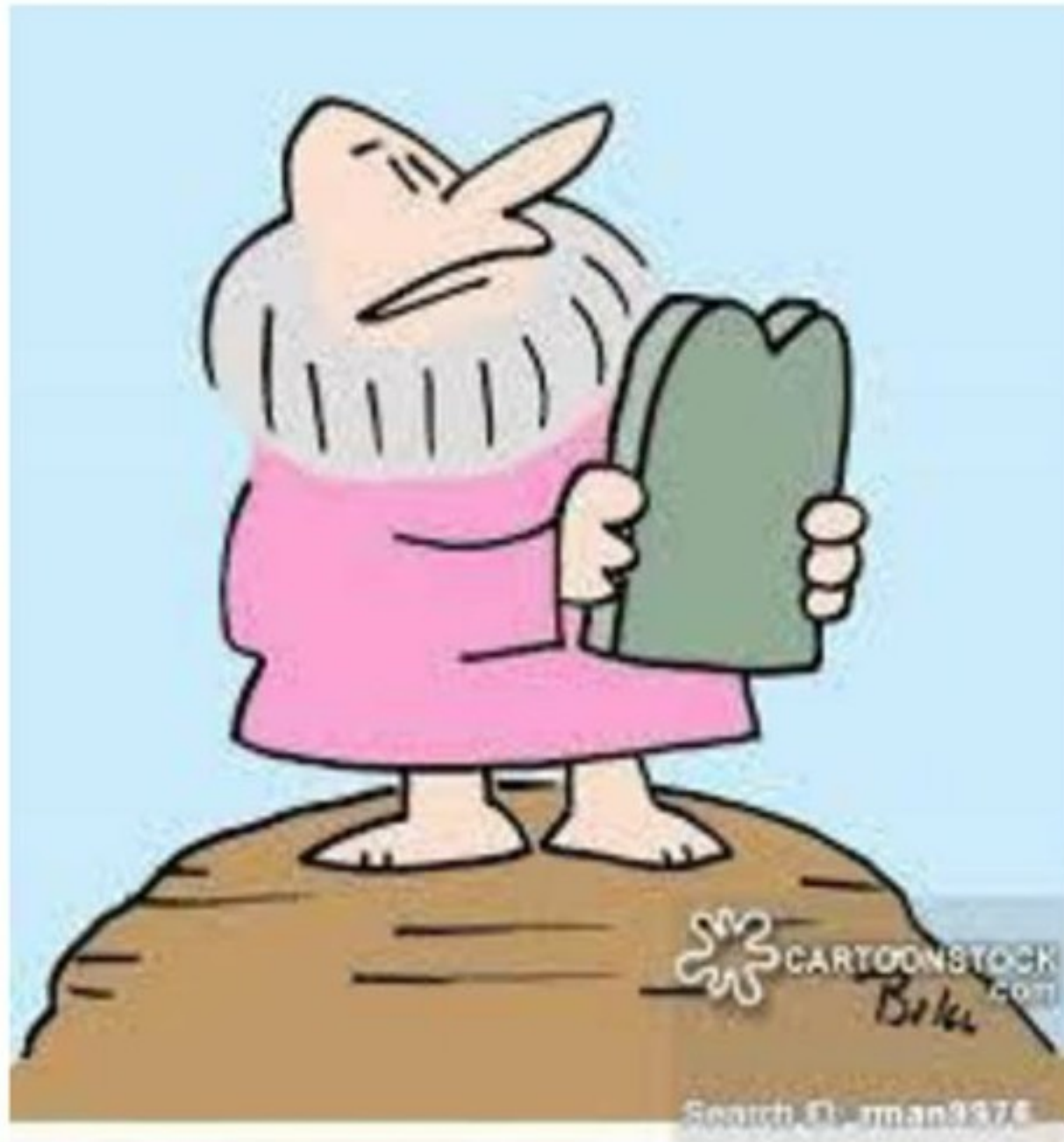
### Strategic HR involves things like:

- **recruiting strategy**
- **Employee/career development**
- **team building - succession planning**
- **soft skills training**
- **work schedule optimization**
- **regular employee communications**
- **conflict resolution**
- **HR analytics**
- **community & family activities**
- **create fun**



## Learning Objective #3

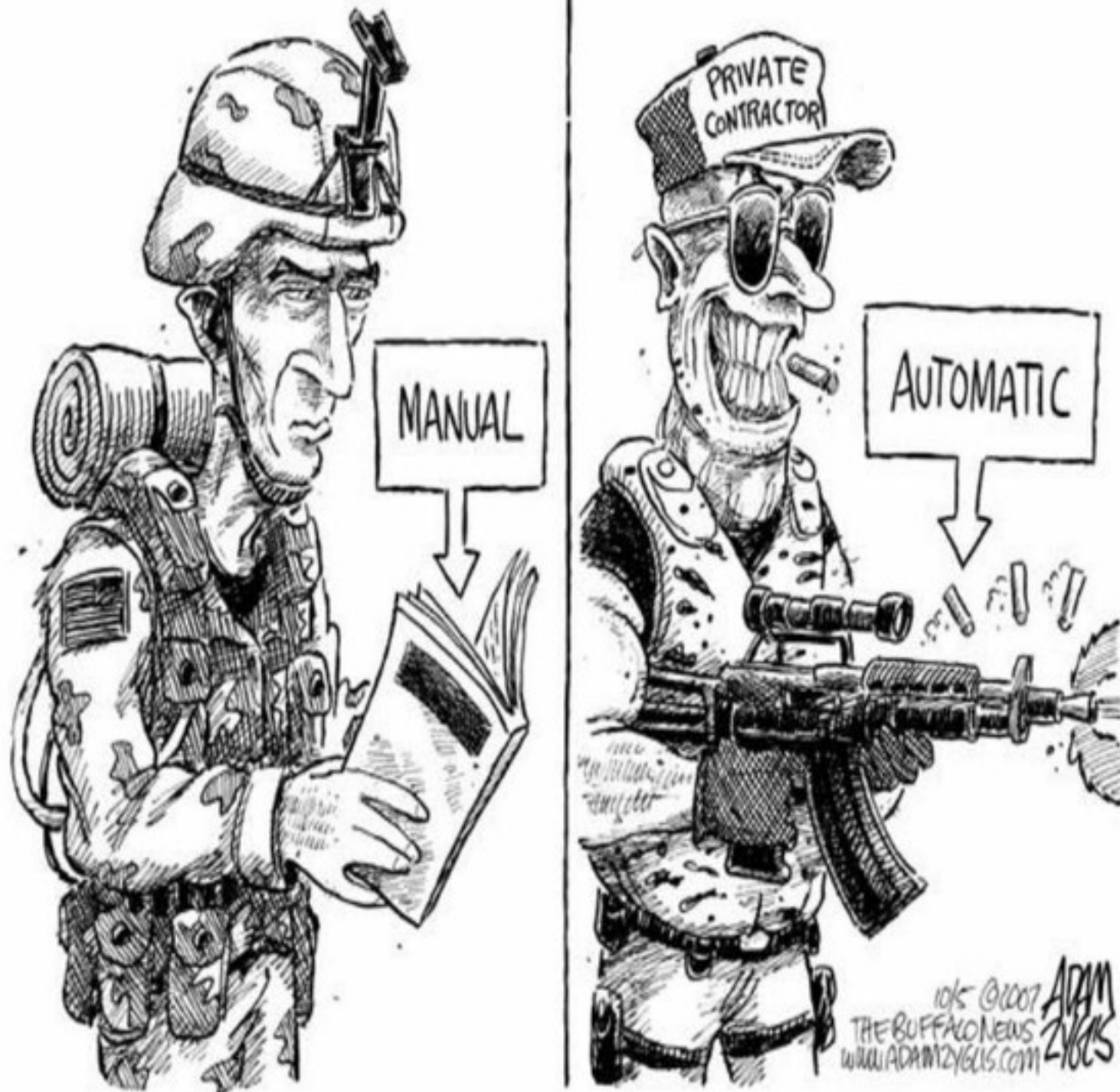




"These are fine, but what's  
in it for me?"

- Little competition among peers
- Gain competitive advantage/knowledge
- Win cool prizes

## RULES OF ENGAGEMENT

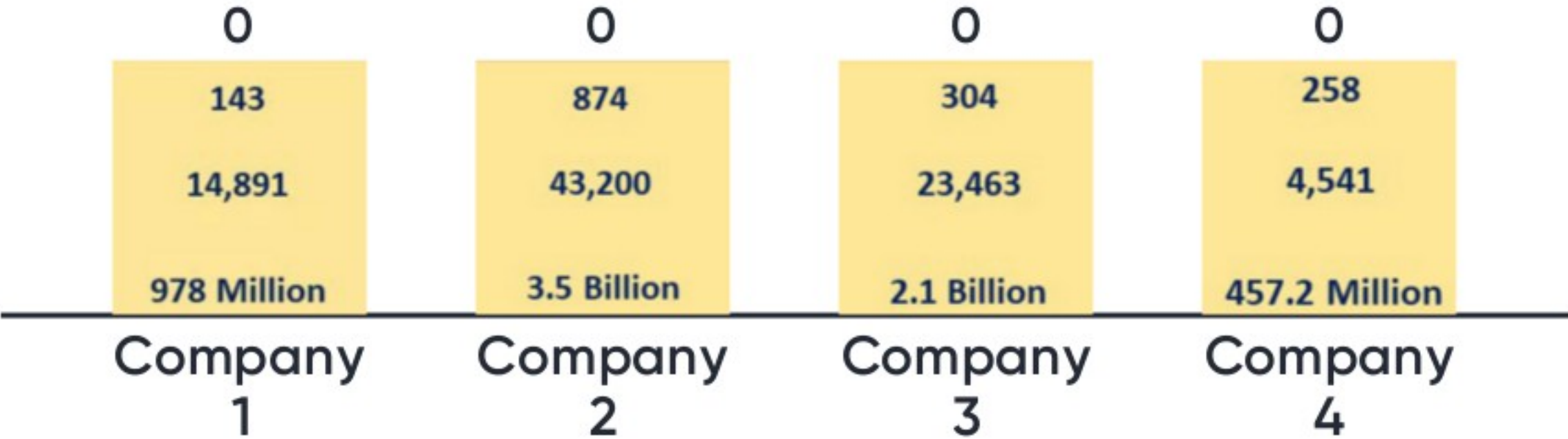


- 1) Must submit your answer via **MINTI**.
- 2) You'll get bonus credits for verbal creativity ...
- 3) You can't seek help "cheat" or "team up with your neighbor"
- 4) You have to be selfish and self centered .....It's all about you!

# Question: Where do you want to work?

<b>Company</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
# Locations	143	874	304	258
# Employees	14,891	43,200	23,463	4,541
Total Revenue	978 Million	3.5 Billion	2.1 Billion	457.2 Million

# Where Do You Want To Work?



# Question: Rank companies 1 to 4 – Who has Best HR?

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<b>Company Highlights</b>	Recently Hired New CFO and General Counsel	Recently Hired New CEO -In Well Structured Corporate Turnaround Mode	Growth and Major Acquisition Mode	Focused on Initiatives to Stabilize and Invest in Operations

# Rank Companies 1 to 4 - Who has Best HR

- 1st | Company 1
- 2nd | Company 2
- 3rd | Company 3
- 4th | Company 4

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<b>Industry Best HR Ranking</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>3</b>

<b>ALAA Ranking</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>
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# Question: Rank companies 1 to 4 – most profitable?

Company	1	2	3	4
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# Employees	14,891	43,200	23,463	4,541
Total Revenue	978 Million	3.5 Billion	2.1 Billion	457.2 Million
Company Highlights	Recently Hired New CFO and General Counsel	Recently Hired New CEO -In Well Structured Corporate Turnaround Mode	Growth and Major Acquisition Mode	Focused on Initiatives to Stabilize and Invest in Operations
Best Overall HR Ranking of all 4 Companies	1	4	2	3
Recent News	Shareholder Have Earned Returns over 38% In past 3 years	Plans to Sell High Value Real Estate Holdings Implementing new vision, people accountability metrics & culture initiatives	Looking for Talent - Hiring people - completed 5 acquisition properties in 2019	Hiring People - Awarded \$12 Million Apprenticeship Grant from DOL for 7,500+ New Jobs

# Rank Companies 1 to 4 - most profitable?

- 1st | Company 1
- 2nd | Company 2
- 3rd | Company 3
- 4th | Company 4

# Final Question: Who will you work with?

Company	1	2	3	4
# Locations	143	874	304	258
# Employees	14,891	43,200	23,463	4,541
Total Revenue	978 Million	3.5 Billion	2.1 Billion	457.2 Million
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<b>Earnings</b>	<b>58 Million</b>	<b>(528.3 Million)</b>	<b>92 Million</b>	<b>(53.6 Million)</b>
<b>The Average HR Score = 3 (The best =5)</b>	<b>3.8</b>	<b>2.4</b>	<b>3.4</b>	<b>2.7</b>

# Who will you work for?

0	0	0	0
<u>58 Million</u>	<u>(528.3 Million)</u>	<u>92 Million</u>	<u>(53.6 Million)</u>
3.8	2.4	3.4	2.7
Company 1	Company 2	Company 3	Company 4

# So, what is the 'Secret Sauce' to a good HR score?



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✓ **Work Life Balance**

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✓ Work Life Balance

✓ **Pay & Benefits**

Question: What is more important to you – Pay or Benefits?



# What is more important to you - Pay or Benefits?





# What is the 'Secret Sauce' to a good HR score?



✓ Work Life Balance

✓ Pay & Benefits

✓ **Job Security**

# What is the 'Secret Sauce' to a good HR score?



- ✓ Work Life Balance
- ✓ Pay & Benefits
- ✓ Job Security
- ✓ **Management**

# What is the 'Secret Sauce' to a good HR score?



- ✓ Work Life Balance
- ✓ Pay & Benefits
- ✓ Job Security
- ✓ Management
- ✓ **Culture**

# What is the 'Secret Sauce' to a good HR score?



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- ✓ Pay & Benefits
- ✓ Job Security
- ✓ Management
- ✓ **Culture**

Question: Of the 5 - What is more important to you?



# Of the 5 - What is more important to you?



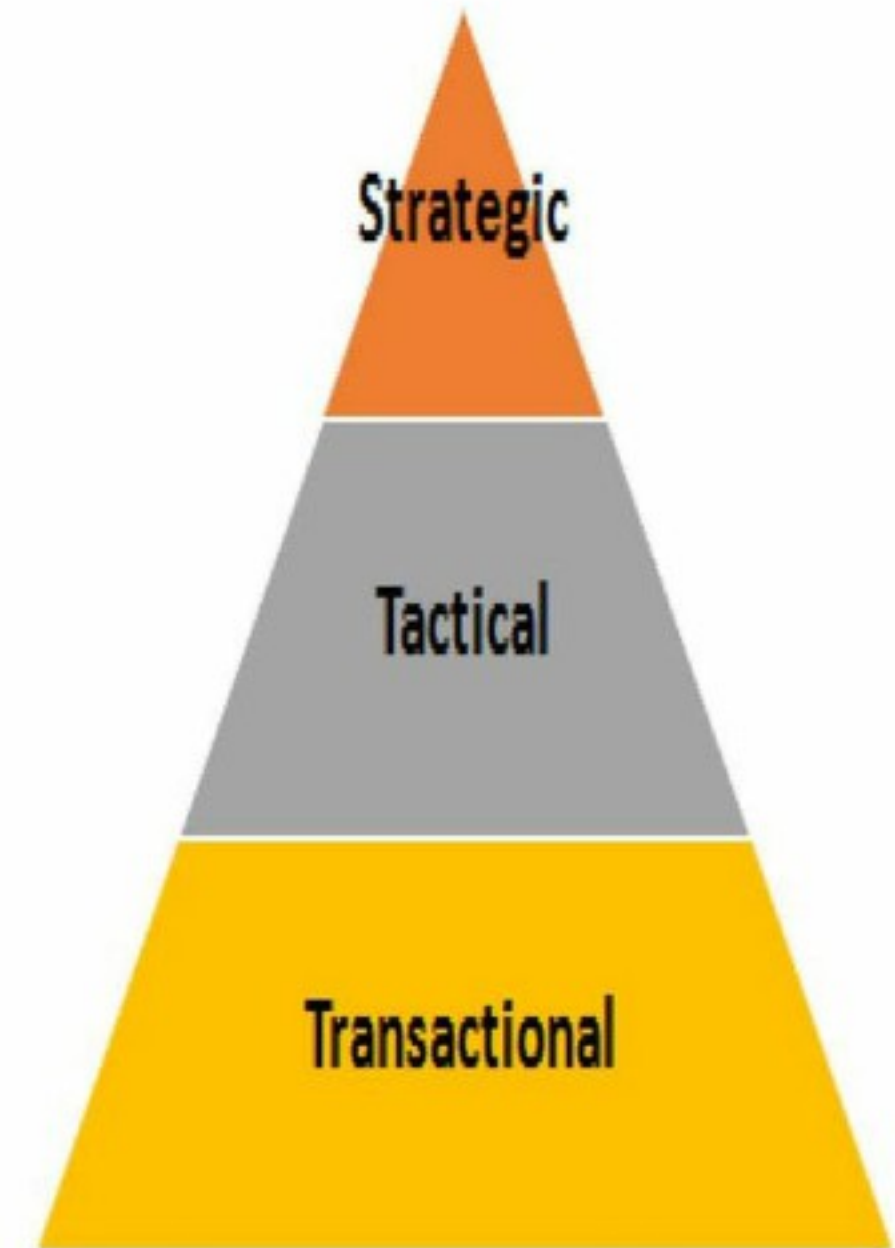
**So ...how did the ALAA members rate  
HR practices in their workplace?**

**AND THE  
SURVEY  
SAYS...**



## Learning Objective #4

<b>ALAA Member HR Challenges Survey Feedback</b>	<b>1 = least concerned 5 = most concerned</b>
<b>Sourcing and hiring employees</b>	<b>4</b>
<b>Training new employees</b>	<b>4</b>
<b>Employee Retention</b>	<b>4</b>
Employee Benefits	<b>3</b>
Workers' compensation Includes (Safety & Risk Mgt)	<b>3</b>
Employer Recordkeeping Compliance	<b>3</b>
Guidance on HR matters to prevent Employment Lawsuits (EPLI Claims)	<b>3</b>



# How Much Does Turnover Really Cost?

- **16 percent of annual salary** for high-turnover, low-paying jobs (earning under \$30,000 a year).

*The cost to replace a \$10/hour employee would be \$3,328.*

- **20 percent of annual salary** for midrange positions (earning \$30,000 to \$50,000 a year).

*The cost to replace a \$50k manager would be \$10,000.*

- **Up to 213 percent of annual salary** for highly skilled & educated positions.

*The cost to replace a \$100k technical or executive role is \$213,000.*

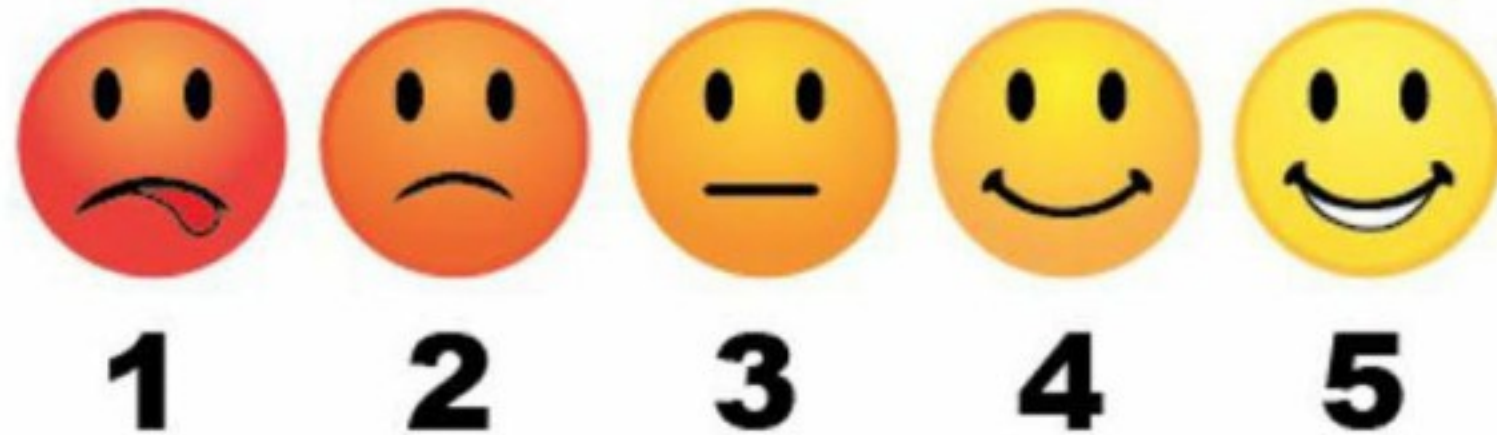


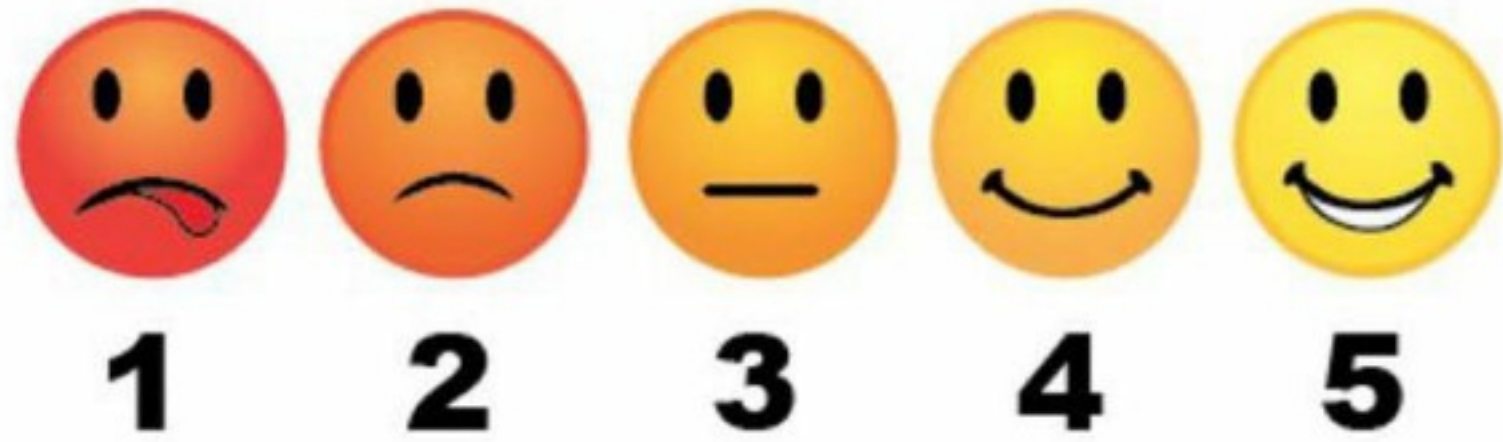


[www.thebalancescareers.com](http://www.thebalancescareers.com)

- Why Human Resource Management is so important - VIDEO

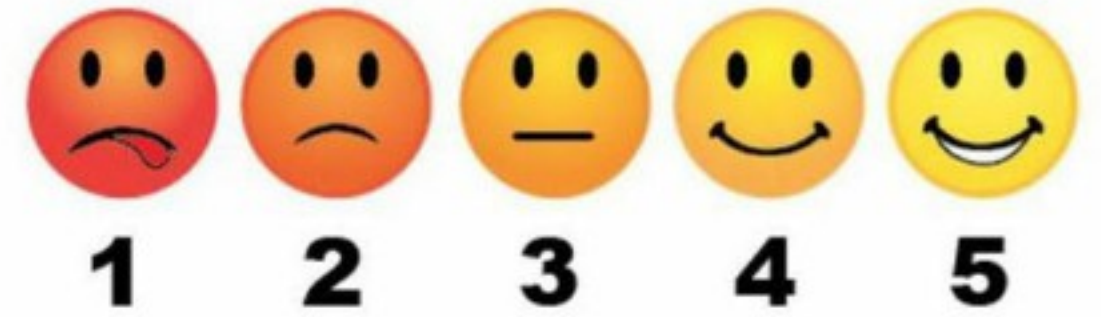
**So ...what can you do after today  
to instantly raise your HR score?**





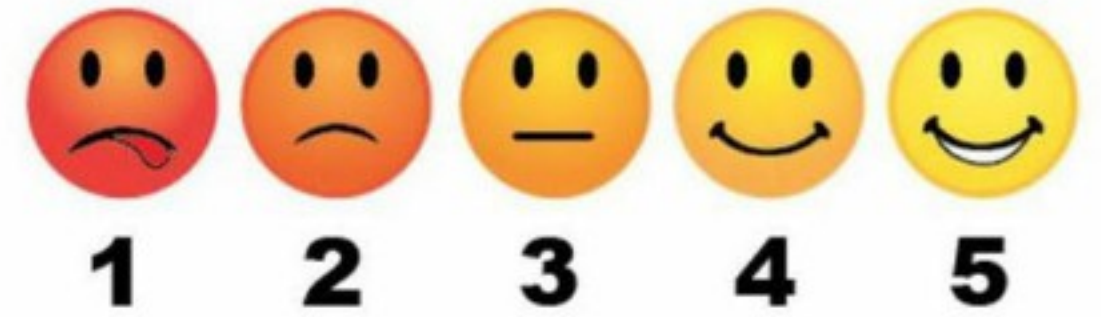
## **1) People have to like you and say good things about you –**

- You want your reviews, social media content, all company marketing and correspondence - your brand image to be given 4 and 5 Star reviews. You want to get as many “Likes” and Positive Tweets” as you can.



## 2) Dig into your pay & benefits -

- Define a compensation strategy – Leader, Lag or Tweener
- Must have competitive pay & benefits – If not, you will not likely be able to recruit A & B players.
- If your people are not good, everything else in your business suffers – Level of Care/Service/profitability and your company will not be competitive threat.



### 3) Start Culture Initiatives -

- **Company culture can trump pay & benefits if developed right!**
- Culture starts at the top -The front line boss usually drives culture from the bottom up!
- There is very high correlation between annual spend in “Strategic HR Activities” and exponential returns (ROI) in a positive company culture and employee retention.
- Develop a social media brand and HR friendly image; develop career paths; set individual training plans, have employee and manager accountability plans, develop a fun environment inside and outside organization.



#### 4) Focus on Strategic HR Activities

- Dump as many Transactional HR activities as can
- Leverage - vendor technology and shared resources.
- Outsource - payroll & benefits administration to vendors that can generally do it more efficiently and compliantly.

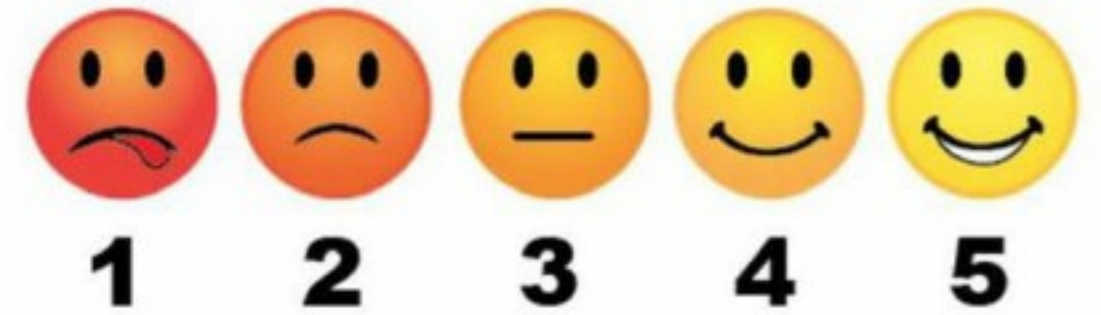


## 5) HR begins and ends with you

**YOU ARE THE BOSS, THE MANAGER & THE OWNER**

- People don't work for companies anymore they actually work for their boss!
- Improve your individual management skills – Develop relationships with your people. Get to know your people!
- Implement “First Break All the Rules” Survey

“First Break All the Rules”








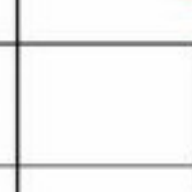

## The Strategy

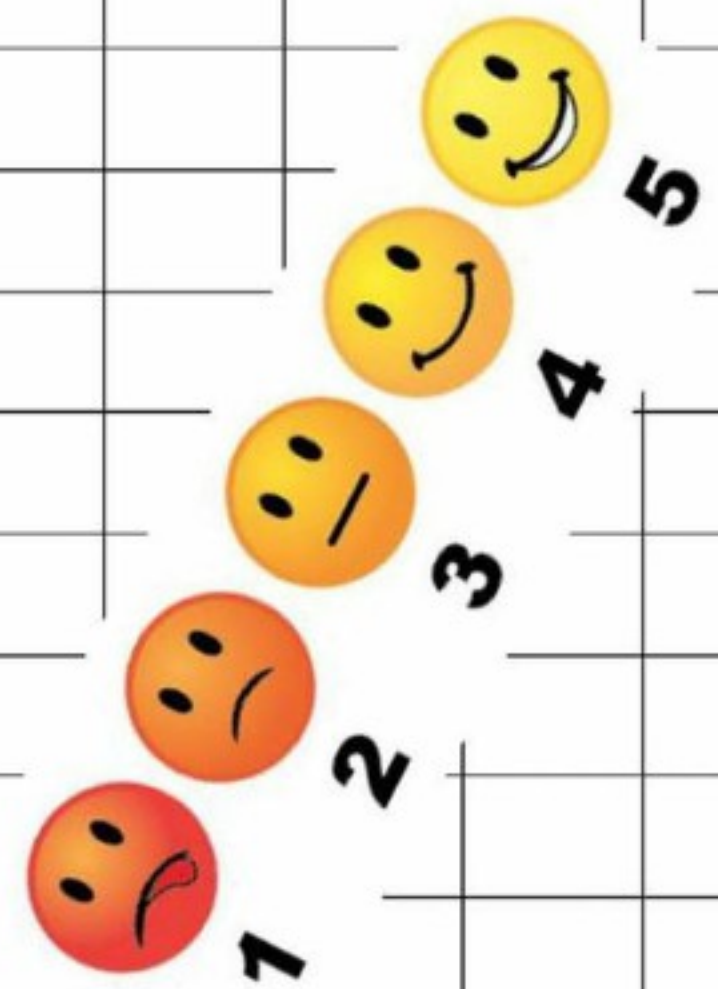
Based on Two massive studies performed  
by The Gallup organization

1. The first study asked a critical question: “What kind of environment will attract, develop and retain great people?”
2. The second study was done to answer the question: “What did these great managers do differently?”



# Gallup's 12 Questions

		Strongly Disagree					Strongly Agree	
	Questions	1	2	3	4	5		
1	I know what is expected of me at work.							
2	I have the materials and equipment I need to do my work right.							
3	At work, I have the opportunity to do what I do best every day.							
4	In the last seven days, I have received recognition or praise for doing good work							
5	My supervisor, or someone at work, seems to care about me as a person							
6	There is someone at work who encourages my development.							
7	At work, my opinions seem to count.							
8	The mission or purpose of my organization makes me feel my job is important.							
9	My associates or fellow employees are committed to doing quality work.							
10	I have a best friend at work.							
11	In the last six months, someone at work has talked to me about my progress.							
12	This last year, I have had opportunities at work to learn and grow.							
<b>Score</b>								



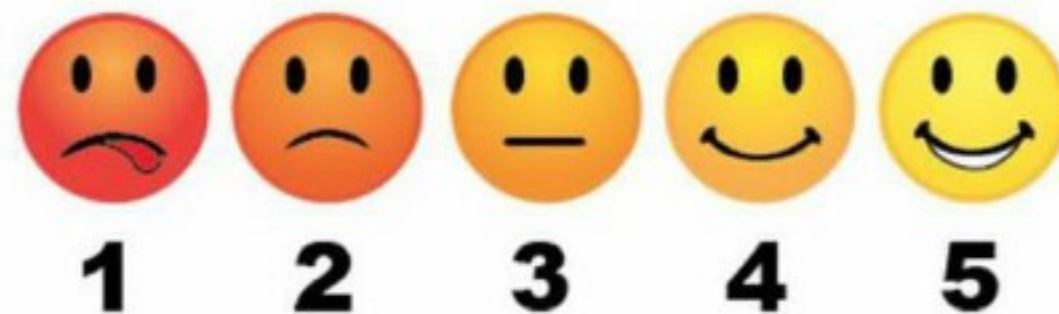
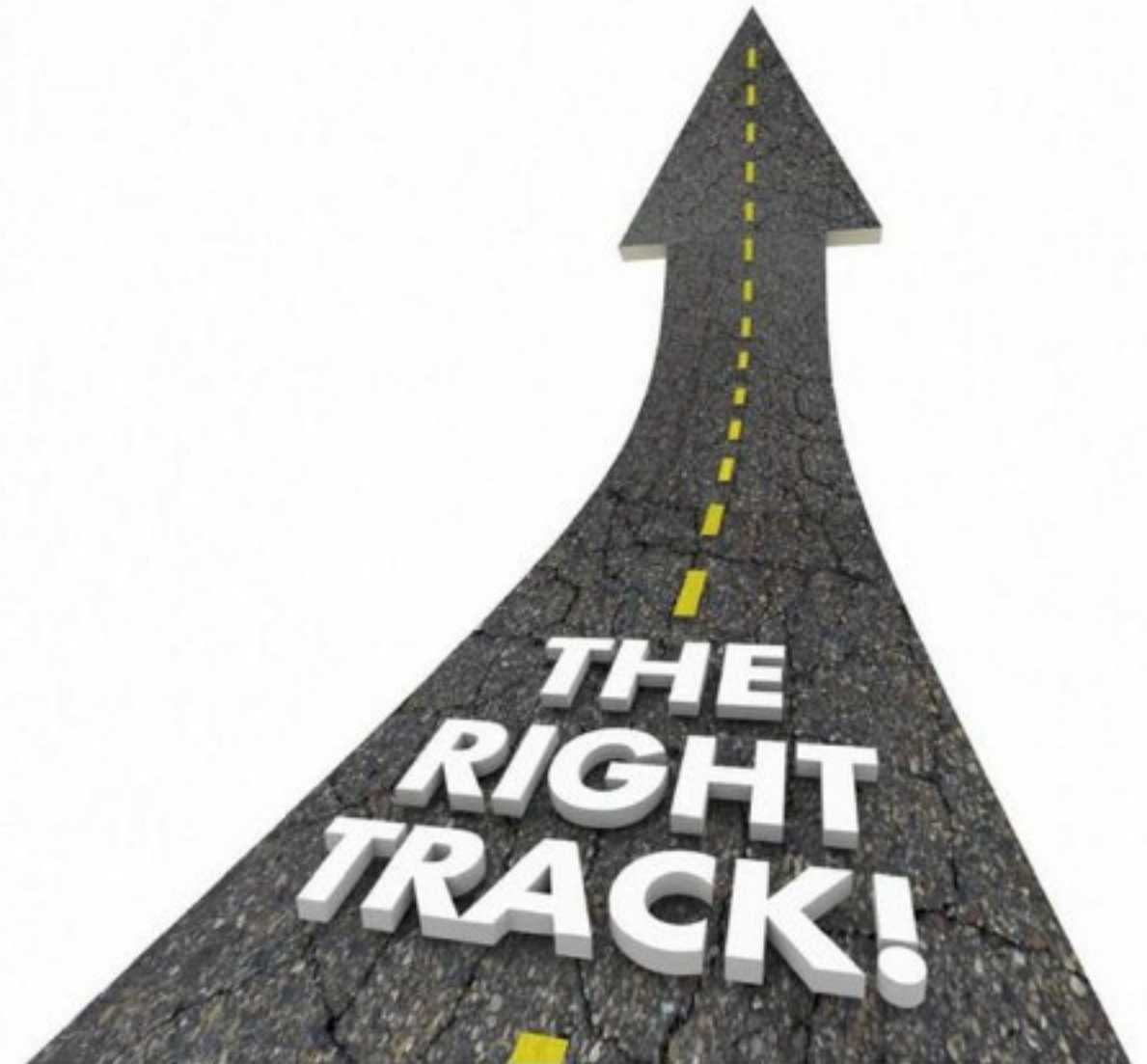
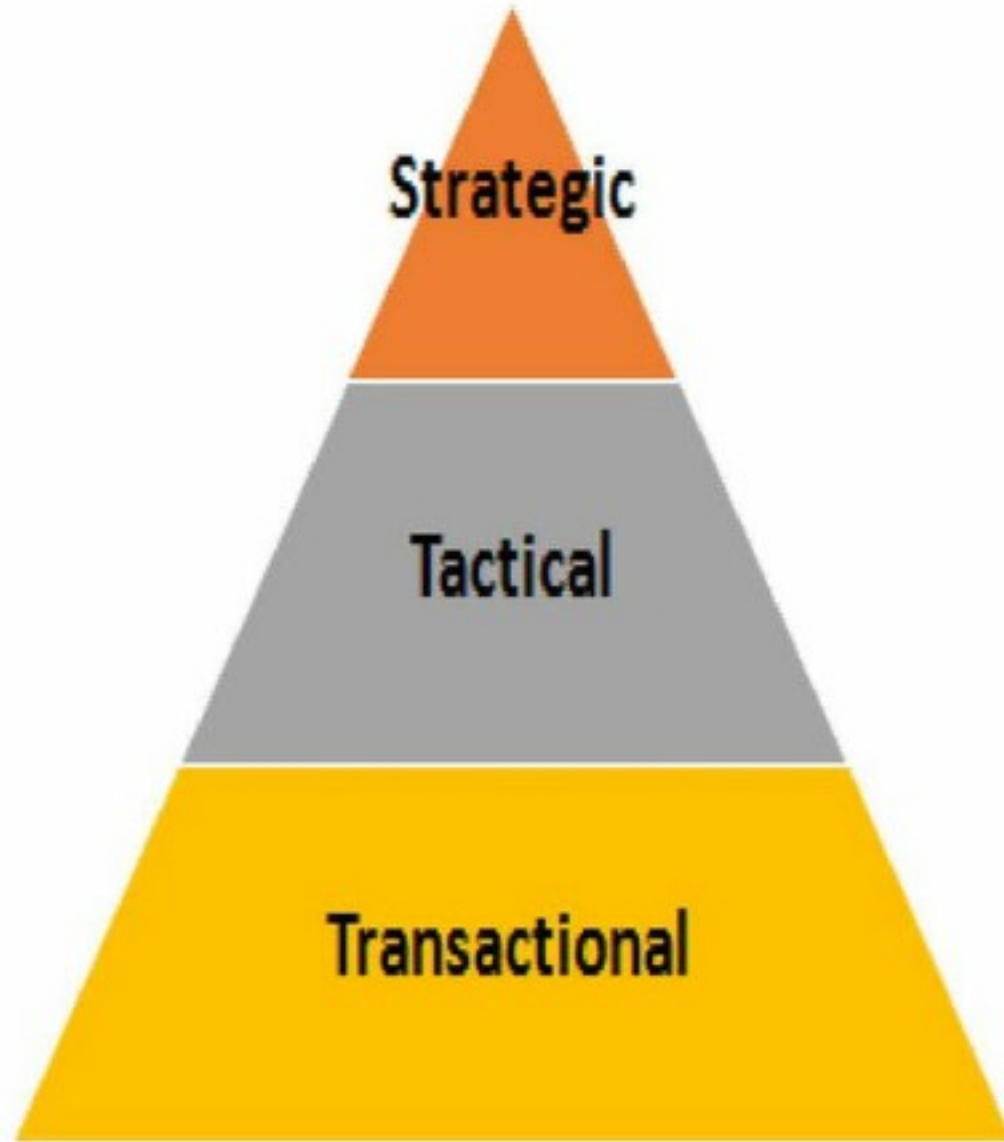
## “First Break All the Rules” Results



### Case Study - 37,000 employees 300 store locations

- ❑ 75% of all employees participated
- ❑ Difference of approximately **\$104 M in store sales** per year between stores scoring favorably in **top 25% of employee responses**, versus the stores scoring unfavorably in the bottom 25% of employee responses.
- ❑ **Top 25% ended year with 14% over profit budget**, while those in lower 25% missed goal by 30%
- ❑ **Top 25% retained 1000 more employees per year** with an estimated \$27M in hiring and training cost savings.

# NOW YOU HAVE THE SECRET SAUCE!



*Thank  
you*



# Questions

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**LYONS HR**



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