Arthur J. Gallagher & Co.

The time is now. The tools are here.
HR Technology that delivers the CEO's agenda.
PRESENTED BY:
RHONDA MARCUCCI, CPA | OCTOBER, 2017

HR in the C-Suite

"Technology is going to be an important element in this journey from 'traditional' HR to more of a trusted business advisor."

Steve Boese, Co-Chair, HR Technology Conference

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What You'll Learn Today

- Understand the CEO
- Available Technology
- Cost Justification
- Purchase Considerations

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Creating C-Suite Buy-in for HR Technology

CIO / CTO / IT Department

- Involve them early
- 3 – 5 year plan aligned with tech strategy
- Minimize implementation concerns

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Creating C-Suite Buy-in for HR Technology

CFO

- Total investment
- Soft & hard ROI

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Creating C-Suite Buy-in for HR Technology

CEO / Leadership

- Tie to their agenda

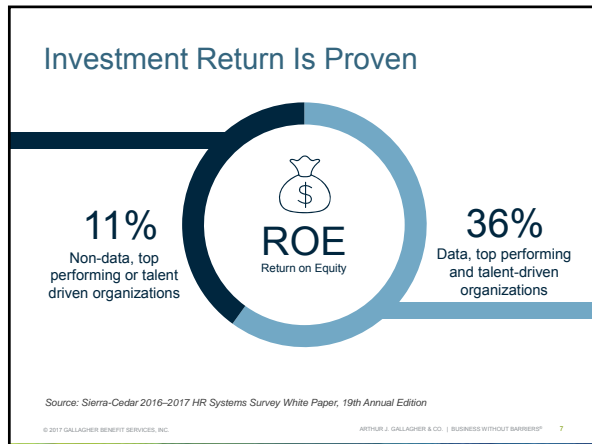© 2017 GALLAGHER BENEFIT SERVICES, INC.   ARTHUR J. GALLAGHER & CO. | BUSINESS WITHOUT BARRIERS®   6

Investment Return Is Proven

11%
Non-data, top
performing or talent
driven organizations

ROE
Return on Equity

36%
Data, top performing
and talent-driven
organizations

Source: Sierra-Cedar 2016–2017 HR Systems Survey White Paper, 19th Annual Edition

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Crowded and Confusing Market

Good News: There is something for everyone!

Explain Your Challenges to the CEO

Administration — "I need automation."

Compliance — "Keep me out of trouble!"

Human Capital Strategy — "Help me drive my CEO's agenda."

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Tools for Talent

Hire Them

Keep Them (or Not)

Measure Them

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Tools for Talent

Hire Them

1. Talent Acquisition
2. Onboarding
3. Strategic Benefits Optimization

Keep Them (or Not)

Measure Them

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CEO Agenda – Talent Acquisition

01 How robust is our talent pipeline?

02 What tailored metrics will we use to evaluate time-to-fill?

03 How do we know the quality of our hires?

04 Are our acquisition efforts designed to attract the millennial and Generation Z workforce?

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CEO Agenda – Talent Acquisition

Talent acquisition is employer branding and marketing

Automation   Compliance   Strategy

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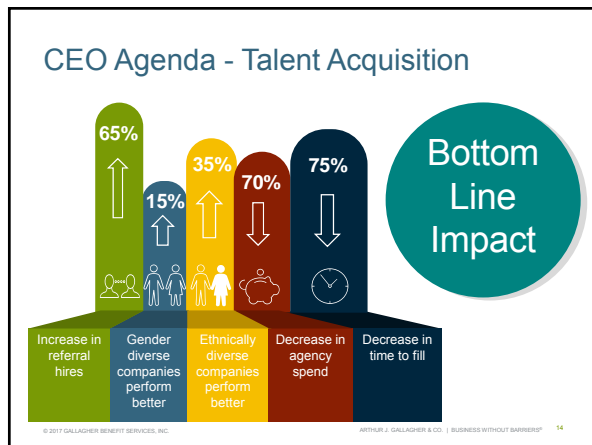

CEO Agenda - Talent Acquisition

65% Increase in referral hires
15% Gender diverse companies perform better
35% Ethnically diverse companies perform better
70% Decrease in agency spend
75% Decrease in time to fill

Bottom Line Impact

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CEO Agenda – Strategic Onboarding

01 What metrics do we have in place to measure the effectiveness of our current onboarding strategy?

02 Does our current onboarding strategy engage the employee and shorten the learning curve?

03 Does our onboarding process prevent attrition?

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CEO Agenda – Strategic Onboarding

Day one readiness

Automation   Compliance   Strategy

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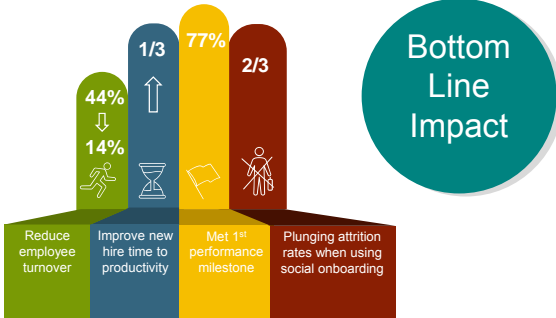
CEO Agenda – Strategic Onboarding

44% / **14%** — Reduce employee turnover

1/3 — Improve new hire time to productivity

77% — Met 1st performance milestone

2/3 — Plunging attrition rates when using social onboarding

Bottom Line Impact

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Strategic Benefit Optimization

01 — How many employees are in the right medical plan?

02 — How many employees understand and appreciate our benefit program?

03 — How do we know if our employees understand how to effectively use their benefit program?

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Strategic Benefit Optimization
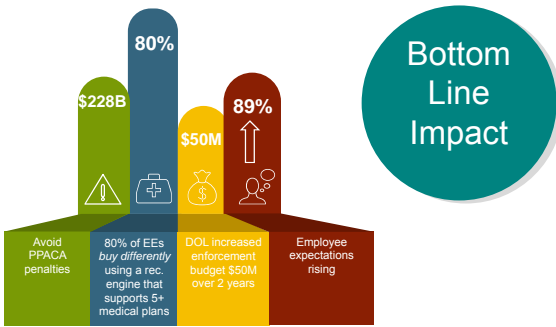
A $10K –$20K complex employee purchase

Automation   Compliance   Strategy

Strategic Benefit Optimization

$228B   80% $50M   89%   Bottom Line Impact

Avoid PPACA penalties | 80% of EEs *buy differently* using a rec. engine that supports 5+ medical plans | DOL increased enforcement budget $50M over 2 years | Employee expectations rising

Tools for Talent

Hire Them

1 Talent Acquisition   2 Strategic Onboarding   3 Creative Benefits Administration

Keep Them (or Not)

1 Wellbeing   2 Performance Management   3 Continuous Learning   4 Engagement

Measure Them

CEO Agenda – Wellbeing

01 What does the health of our organization look like – physically, financially, culturally and emotionally?

02 What is the impact of our organizational wellbeing on our bottom line?

03 How do we effectively measure our workforce "vitals" to adjust organizational performance in real time?

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Wellbeing

The whole person comes to work everyday

Automation   Compliance   Strategy

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Wellbeing

68% $28K 59% 18%

Bottom Line Impact
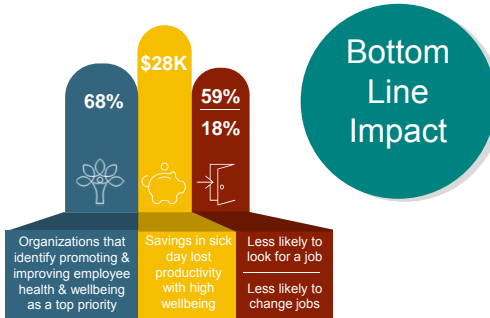
Organizations that identify promoting & improving employee health & wellbeing as a top priority

Savings in sick day lost productivity with high wellbeing

Less likely to look for a job

Less likely to change jobs

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Performance Management

01 Are our performance reviews designed to give continual feedback so employees are more engaged throughout the year?

02 Can we identify underperforming individuals or teams to prevent low morale and turnover?

03 Are we using our own data/analytics to encourage coaching and reward to improve skills?

Performance Management

We need to get the *right* people with the *right* skills in the *right* place at the *right* time at the *right* cost

Automation   Compliance   Strategy
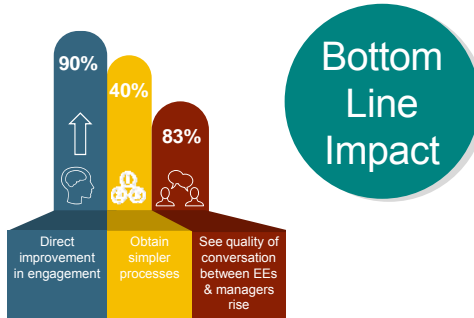
Performance Management

90% Direct improvement in engagement

40% Obtain simpler processes

83% See quality of conversation between EEs & managers rise

Bottom Line Impact

Continuous Learning

Real time, all the time

01 How are we currently tracking our learning metrics?

02 Do we have learning programs in place that accommodate our multigenerational workforce?

03 How are we monitoring the effects of learning on our strategic human capital objectives?

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Continuous Learning

The global skill gap has forced HR to become learning experience architects

Automation   Compliance   Strategy

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Continuous Learning

79% Companies indicating a shortage of critical skills

11% **2%** Decline in vacancy rates (RN industry)

15% Increase in sales — post-training

36% Increase in upward mobility

Bottom Line Impact

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CEO Agenda – Engagement

01 What is the ideal employee experience in today's workplace?

02 What impact could a positive employee experience have on key outcomes?

03 How can organizations drive more positive and human employee experiences?

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Engagement

Engagement environments will digitally connect talent marketplaces with powerful ecosystems

Automation Compliance Strategy

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Engagement

$2.4K — Increase profits per employee / per year

59% — Engaged EEs less likely to look for a job

23% — Believe EEs are fully aligned with corporate purpose

58 pt. GAP — Execs. rating EE experience important vs. belief company builds good EE experience

Bottom Line Impact

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Tools for Talent

Hire Them

1. Talent Acquisition
2. Strategic Onboarding
3. Creative Benefits Administration

Keep Them (or Not)

1. Wellbeing
2. Performance Mgmt.
3. Continuous Learning
4. Engagement

Measure Them

1. People Analytics

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CEO Agenda – People Analytics

01 What are we doing to optimize all data available inside and outside our organization to drive our business?

02 Can we do more to predict who will be the right leaders of the future and what experiences should we give them?

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People Analytics

Data is everywhere, and that's a good thing.

Automation   Compliance   Strategy

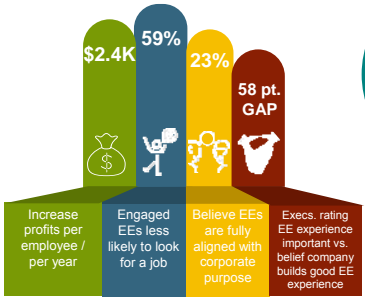© 2017 GALLAGHER BENEFIT SERVICES, INC.   ARTHUR J. GALLAGHER & CO. | BUSINESS WITHOUT BARRIERS®   36

People Analytics

Work Commitment

Good News: There is something for everyone!

Creating C-Suite Buy-in for HR Technology

CIO / CTO / IT Department
- Involve them early
- 3 – 5 year plan aligned with tech strategy
- Be prepared to minimize implementation concerns

CEO / Leadership
- Address CEO/Leadership concerns about competition, resource availability & people
- Long-term people strategy supported by data analytics
- Ability to plan for change in real-time

CFO
- Be prepared to show some cost savings or reasonable ROI
- Show the value of being able to provide a holistic view of the organization

When You're Ready to Buy…

1. For many employees—the HR website *is* HR.
2. Always define the "what" first; technology is a "how."
3. Beware the bright shiny ball.
4. Beware of the slick sales person.
5. Software review analysts get paid by software providers.
6. Determine support needed; tech only vs. tech plus strategy.
7. Don't underestimate value of change management.
8. HR technology cost is $100-$500 per employee annually.
9. Yes—there is industry specific software; check it out!
10. There is no bad technology, only bad technology expectations.

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Wrap Up

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Thank You

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