

Plan Your Human Capital Strategy With CHRO Strategic Roadmaps

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Building a human capital strategy is often a difficult task for CHROs and their teams, and lessons learned from falling back on shared experiences from peer CHROs and other HR leaders are rarely captured and shared. Therefore, we offer the CHRO Strategic Roadmap series.

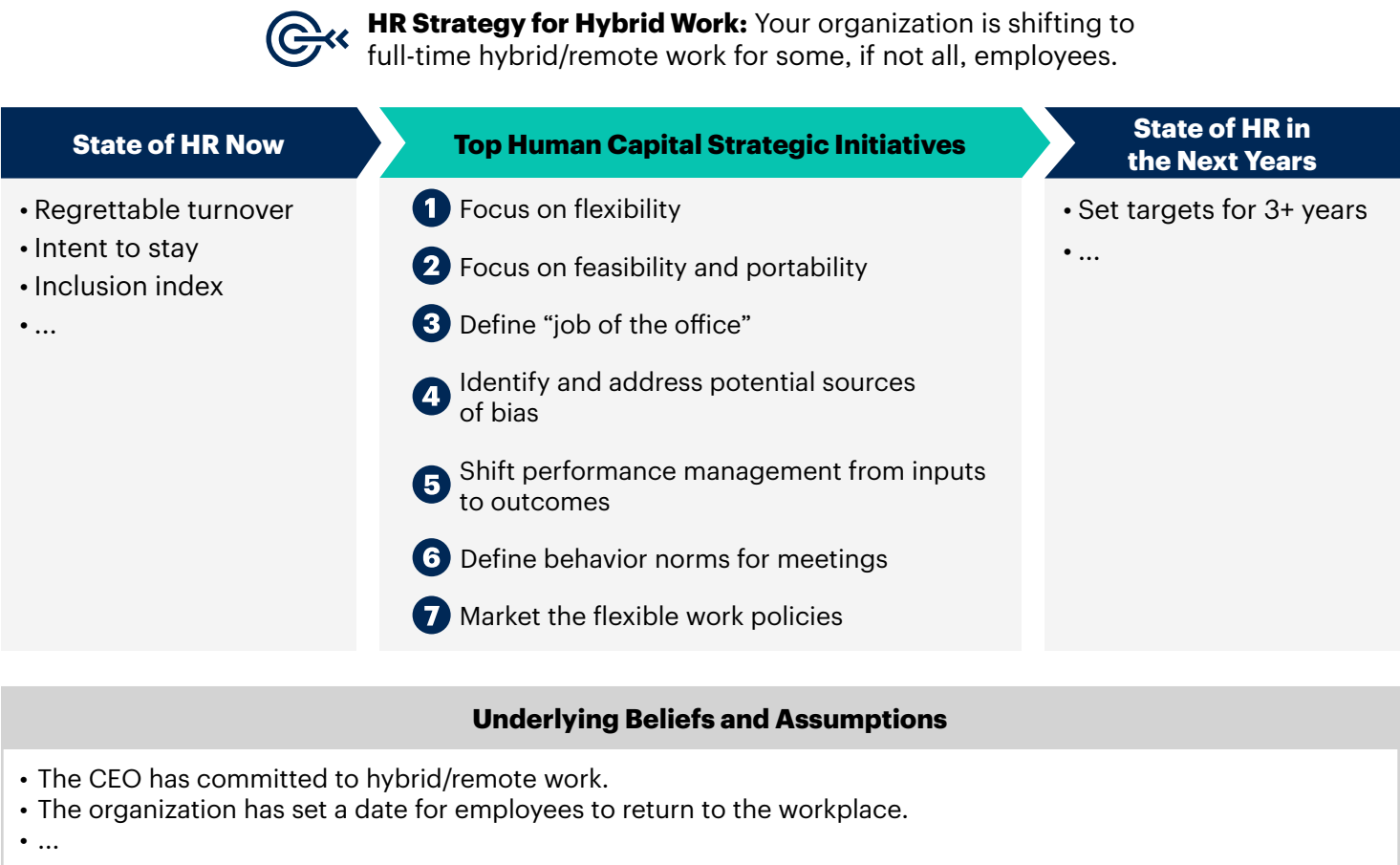


Chief HR officers (CHROs) and their teams often struggle to build a human capital strategy for critical moments — from picking the best format in which to share a strategy to selecting what to prioritize based on the organization’s specific situation. Often, CHROs are presented with challenges they and their organizations are facing for the first time, such as being prepared for and handling an extended period of hypergrowth, going through an integration post-M&A or the ongoing widespread challenge of hybrid work. Sometimes, leaders have already contended with one of these scenarios at some point in their professional lives, but the context of their current situations may challenge their experience and expertise. Such doubt makes them seek reassurance on whether their proposed strategy is the optimal one or whether it will work at all.

CHRO Strategic Roadmaps

The CHRO Strategic Roadmaps series shares a plan of action to help CHROs craft a human capital strategy in a specific setting for their organizations. Each edition of the series distills lessons and experiences from extensive qualitative interviews with CHROs and HR leaders who have created human capital strategies under identical circumstances. It also shares their advice in a simple and visual format: a strategy on a page (see Figure 1). In this way, the roadmaps provide CHROs with prioritized strategies for specific organizational situations to help them craft human capital strategies contextualized for their organizations.

Figure 1. Strategy on a Page for Hybrid Workforce Implementation



Source: Gartner

The strategy on a page covers all the essential elements of a strategic plan, including:

- **Scenario** — A brief description of the setting the organization is facing
- **Underlying beliefs and assumptions** — Set elements the CHRO can't change and that enable and reinforce the purpose of the strategy (for example, a company's strategy)
- **Top human capital strategic initiatives** — Focus on what the CHRO and HR senior leadership team are responsible for and can control via the HR strategy (versus designing an entire company strategy, which is an input for the HR strategy)
- **KPIs** — How to measure the impact before and after as well as track impact (see "State of HR" on far left and far right in Figure 1)
- **Rationale** — Bullet points explaining the reasons for selecting each priority

So far, the CHRO Strategic Roadmaps series has covered several challenging scenarios that many CHROs are dealing with today: hybrid work, hypergrowth and post-M&A integration. This research outlines the key structure of these roadmaps. More details can be found in the individual roadmaps. As this series continues, forthcoming roadmaps will cover other scenarios.

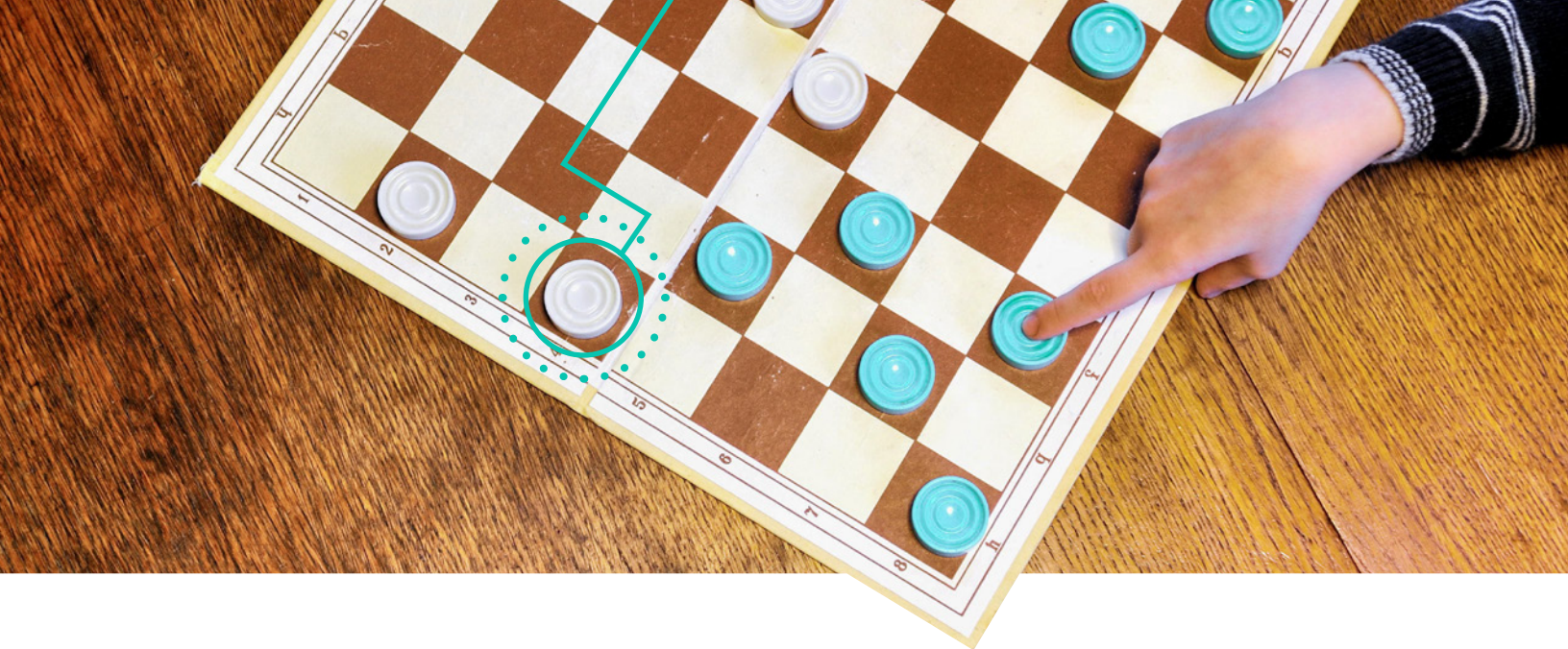
Scenario: Developing a Hybrid Work Strategy

Many organizations are implementing a full-time hybrid/remote work strategy for some, if not all, of their employees. This shift enables HR leaders to build upon the successes of the past two years while addressing some of the very real risks to attracting prospective employees and retaining existing ones. We have identified seven key strategic initiatives for CHROs designing a hybrid work strategy:

1. **Elevate your strategy to focus on flexibility** — Focus your strategy on flexibility so you do not exclude site-dependent personnel or risk creating a culture of "haves" and "have-nots."
2. **Focus on feasibility and portability of the specific tasks that employees perform** — When evaluating eligibility for remote/hybrid work, focus on employees' specific tasks — not their roles.
3. **Define the "job of the office" in a hybrid work environment** — Define what the job of the office is so employees understand why you've asked them to return and what they can expect to do while there.
4. **Identify and address potential sources of bias against remote/hybrid employees** — One way to continue making progress toward your diversity, equity and inclusion goals is to pinpoint and address any potential sources of bias against remote/hybrid employees.
5. **Shift the focus of performance management from inputs to outcomes** — Move the focus of performance management from inputs to outcomes so managers can evaluate their teams on the quality of the work they produce — not the amount of time they spend in the office.
6. **Define behavior norms for in-person and virtual meetings** — Create a more positive experience for all employees and a more inclusive environment for remote/hybrid employees by defining the behavior norms for meetings.
7. **Market the organization's flexible work policies more broadly** — Communicate and champion your organization's flexible work policies to more broadly enhance your employment brand and avoid costly salary premiums.

(For the full roadmap, see CHRO Strategic Roadmaps: Hybrid Work.)





Scenario: Organizations in Hypergrowth

Organizations in hypergrowth mode are experiencing a need to abruptly increase their operations and resources because of market expansion, a new product launch or other reasons. This roadmap addresses organic growth only, not growth by mergers and acquisitions, which is covered in a separate roadmap discussed below. The following are the top human capital strategic initiatives for CHROs in a hypergrowth setting:

- 1. Develop a dynamic strategic workforce planning capability** — Create a strategic workforce plan (SWP) that defines the roles, skills and competencies required at each phase of growth to support the evolving organization's needs.
- 2. Develop future-state organizational design** — For each phase of growth, create an organizational design with a future-state outlook. Consider changes in levels, capabilities, operating models and functions.
- 3. Revisit and sharpen culture** — Revisit and hone company culture so there is clear guidance on how to manage cultural tensions. Provide teams and leaders with a strong understanding of the expected values, mindset and behaviors in a fast-paced, changing environment.
- 4. Relaunch your employee value proposition** — Restarting or reinvigorating your employee value proposition (EVP) presents a differentiated deal that attracts the right candidates and generates strong pools

of talent while retaining the right employees by consistently delivering on that deal.

- 5. Embrace a robust talent acquisition function and capability** — Ensure your organization has a robust talent acquisition function with corresponding capabilities. Equip your talent acquisition function with frictionless and efficient processes, technology and resources to achieve superior recruitment outputs in terms of quantity, quality and speed of recruiting to deliver on ambitious recruiting targets.
- 6. Enhance internal mobility, and explore alternative employment model options** — Amplify internal mobility opportunities and explore alternative employment options to allow for the right mix of build, buy and borrow in the human capital strategy. Having alternative resources and employment models that add flexibility and contingency helps mitigate risk during growth.
- 7. Recalibrate your rewards plan** — Revisit and revise your employee rewards plan to include benefits that address the symptoms of burnout. Use project-based bonuses, long-term incentives (LTIs) and multiplier plans to drive retention and foster growth goals.
- 8. Overinvest in change management** — Significantly invest in change management efforts to shape, communicate and generate feedback loops. Such efforts result in every associate understanding the company's vision and having a chance to provide feedback on where the organization is headed, the agility to adjust along the way and knowledge of what is expected of them.

(For the full roadmap, see CHRO Strategic Roadmaps: Hypergrowth.)

Scenario: Post-M&A Integration

Companies going through an integration post-M&A need to sort out processes, systems, ways of working and culture sustainably and as quickly as possible. However, this process tends to be confusing and difficult to navigate, especially considering both organizations are trying to fulfill their day-to-day responsibilities. CHROs can manage post-M&A integration more effectively with the following strategic initiatives:

- 1. Create an HR integration and business alignment team** — Build a team that can shape and communicate the integration plan, stating key milestones to provide clear meaning and purpose for every company member of the merger's current and future direction. Clear meaning and purpose also focuses on a constant alignment check between the HR and business strategies. When building your team, keep these points in mind.
- 2. Assess talent risks and attrition risks for indispensable knowledge** — Assess your key talent situation and address retention of indispensable knowledge against deal-specific criteria for key talent to avoid losing strategic capabilities and value to the newly formed organization.
- 3. Develop a coordinated workforce plan view** — Create an SWP view that provides guidance and clarity on the workforce supply-and-demand curves, as well as gaps and areas

for efficiencies, based on the new portfolio of products/services.

- 4. Outline a new organizational design** — Outline your new organizational design and reporting lines to bring initial clarity to workflows, headcount and roles to avoid duplication and set clear dispute approvals and governance for each business unit.
- 5. Align the HR team's design and operating model to a common philosophy and principles** — Align the HR team's design and operating model to a common philosophy and principles aligned with critical HR services in focus to achieve homogeneous offerings of talent products, services, processes and targeted efficiencies.
- 6. Understand both cultures, and agree on a set of core values and behaviors** — Take the time to gather knowledge and insight about the existing and acquired companies' respective cultures. Also, agree on a set of core values and behaviors that will help managers and employees clearly manage cultural tensions, while forging together the "new" culture.
- 7. Harmonize compensation, benefits and contracts** — Harmonize compensation, benefits, contracts and all aspects within the total rewards and contractual terms and conditions space to achieve an externally competitive and internally equitable total compensation approach.

(For the full roadmap, see CHRO Strategic Roadmaps: Post-M&A Integration.)