

VHA to Present IBM Study on Best Practices in Human Capital Management and Succession Planning

Presented by Elias Hernandez, Director of Workforce Planning and Performance, Veterans Health Administration, Department of Veterans Affairs



Audio: (218) 844-0850
Access Code: 1096648#
Technical difficulties? Contact:
rsell@catalystlearning.com

Polling Questions

1. How would you describe the priority placed on helping current employees define internal career pathways in your organization?
 - High – a strategic priority
 - We say it's a priority, but doesn't get resources
 - Lower priority - done informally
 - Not a priority
2. If career advising is a priority, what is your reason in doing so?
 - Fill critical need positions
 - Maximize internal pipeline candidates
 - Engage and retain top talent
 - Other



Lynn Fischer, Founder and CEO, Catalyst Learning Company



Agenda

- Veterans Health Administration (VHA) Background Information
- Talent Management Study Objective and methodology
- Talent Management Objectives (TMOs)
- Maturity Assessment
- Talent Management Study Major Findings and Recommendations
- Talent Management Best Practices by TMOs

Veterans Health Administration (VHA) Background

▪ Mission

- Country's largest integrated healthcare delivery system
- Delivers health care to 5.5 million Veterans

▪ Workforce

- 250,000+ employees comprise the highly-trained, complex VHA workforce
- 300+ job series, covered by two federal personnel systems (Title 38 and Title 5)
- 19,499 physicians and 946 dentists, and 50,787 registered nurses

▪ Workforce Challenges

- Widespread shortages and increased competition for health care professionals
- Rapidly changing technology requires new skills
- Aging workforce, and rapidly increasing percentage of employees eligible for retirement, particularly in leadership positions

▪ Talent Management

- VHA talent management has evolved from an initial Succession Plan published in 2000, and now includes
 - Leadership development programs at all levels of the organization
 - Workforce planning and gap analysis
 - Assessments of employee satisfaction and environmental culture
 - Knowledge transfer programs

Veterans Health Administration (VHA) Background (cont)

▪ Talent Management Governance

- Human Resource Committee (HRC) of the National Leadership Board (NLB)
- Succession and Workforce Development Management Subcommittee (SWDMS)

▪ Organizational Structure

- 21 Veterans Integrated Service Networks (VISNs)
- 153 Medical Centers
- 931 Ambulatory Care and Community-Based Clinics
- 134 Community Living Centers
- 50 Domiciliary Rehabilitation Treatment Programs
- 271 Readjustment Counseling Centers 271
- 132 Comprehensive Home-Care Programs

▪ Leadership Scenario

- By 2015 83% of Senior Executives (SES) will be eligible for retirement (SES is equivalent to Chief Executive Officer)
 - 85% T-38 equivalent executives
 - 80% Chief of Staff
 - 81% Nurse at Grade V
 - 61% Associate Directors (AD is equivalent to Chief Operating Officer)

▪ VHA is transforming into the 21 Century:

- People Centric
- Results Driven
- Forward Looking

Veterans Health Administration (VHA) Talent Management Study

▪ Objective of the Study

- Help benchmarking partner organizations achieve substantive talent management success through identification of leading practices in each talent management area.

▪ Characteristics of Benchmarking Organizations

- Cross-section of organizations from the public and private sectors, as well as health care and non-health care industries.
- Selection Criteria included similarity with VHA profile, including complexity and size based on numbers of employees; and geographically distributed operations across the United States; as well as innovative practices in talent management.

▪ Data Analysis was collected through interviews with:

- 50 Senior Human Capital Leaders
- Program Owners and other leaders

▪ Study Partner Organizations

- Banner Health
- Hospital Corporation of America
- Kaiser Permanente
- US Social Security
- IBM

▪ The study methodology included:

- Identifying a set of commonly accepted leading practices for 13 program areas within talent management.
- Completing a maturity assessment for each practice
- Examining the distribution of maturity assessment scores for each program area

Study Participants

- IBM conducted interviews with six participating organizations (“Study Partners”) to collect data for analysis between January and March 2009
- A cross-section of organizations was selected from the public and private sectors, as well as health care and non-health care industries, as Study Partners. Selection criteria included
 - Similarity with the VHA profile, including organizational complexity and size based on number of employees
 - Geographically distributed operations across the US
 - Innovative practices in talent management
- Study partners and interviewees included the following:
 - **Job title / function**
 - The study partners provided access to interviewees with the following job titles: senior management (CHRO, CLO) (8%); vice president (17%); director (50%); manager (10%); others (15%)
 - In terms of functions in their respective organizations, the majority of interviewees (98%) were in human resources, talent management, training and organizational development
 - **Industry**
 - Industries and sectors represented by study partners included both healthcare and non-healthcare, and government and non-government organizations

Geography

- 100% of study partners are headquartered in the United States, and responded to the benchmarking study based upon operations in North America

Study Partners by Industry/Sector

	Government	Non-Government
Health Care	17%	49%
Non-Health Care	17%	17%

Talent Management Objectives (TMOs)

- **Right Skills** - includes activities that ensure the individuals with the right skills and competencies are in the organization. This involves recruitment activities, as well as career development, leadership development, performance management, learning and knowledge sharing activities, and retention and diversity programs for individuals within the organization.
- **Right Time** - includes workforce planning activities that allow the organization to gain insight to the past, current and future state of the workforce. It also includes the succession planning processes by which organizations identify high-potential employees and eventually move them into key positions. Both of these planning activities anticipate timing of workforce gaps and guide timely mitigation strategies.
- **Right Place** - includes workforce management and deployment activities and their supporting policies and processes. These activities enable the organization to fill key positions and move employees to meet business needs without geographic or organizational limitations.

Talent Management Objectives (TMOs) Grouping



VHA Maturity Assessment

Program Area	VHA Maturity Assessment
Succession Planning	High Maturity
Workforce Planning	High Maturity
Diversity	Medium Maturity
Recruitment	Low Maturity
Retention	High Maturity
Career Development	High Maturity
Leadership Development	High Maturity
Performance Management	High Maturity
Learning	High Maturity
Workforce Deployment	High Maturity
Workforce Management	High Maturity
Knowledge Sharing	High Maturity
Enabling Technology	Medium Maturity

- Maturity assessment was completed for each program area against three criteria
 - How well developed is the practice?
 - Has it been proven?
 - Is it applied consistently?
- High, medium, and low maturity in each program area was determined for each study partner, based upon the following
 - High maturity - at or above 75th percentile
 - Medium maturity - between 25th and 75th percentiles
 - Low maturity - at or below 25th percentile
- In developing recommendations, other criteria were considered, such as degree of integration between talent management program areas, as well as leading practice in implementation of transformation initiatives
- As a result, recommendations have been identified for high maturity program areas



Benchmarking Study Major Findings

- **Achieving substantive talent management requires four key components**
 - **Integrated technology solutions**
 - Leveraging technology to automate processes and integrate data
 - Integrating technology across multiple talent management program areas
 - Assigning an enabling technology governing body and owner
 - **Strong leadership support and commitment**
 - Involving executives and business unit leaders in setting and maintaining the direction of talent management programs
 - Engaging managers and supervisors at all levels to deliver on components of talent management programs
 - **Robust set of workforce data and analytic tools**
 - Gathering and analyzing data to better understand the workforce
 - Using simple meaningful measures to assess effectiveness of talent management activities
 - **Effective communication of programs**
 - Using effective communications strategies to ensure that availability and value of talent management activities are understood
 - Establishing and communicating a clear commitment to succession and workforce planning as a strategic objective

VHA Talent Management programs reported

- *Strong leadership support and commitment*
- *Effective communication of programs*
- *Opportunity for improvement in*
 - *Integrating technology solutions*
 - *The set of workforce data and analytic tools used*

Approach for Development and Prioritization of Recommendations

- Recommendations for VHA talent management programs were developed based on
 - Maturity assessment
 - Degree of integration among the various talent management program areas
 - Leading practice in implementing talent management transformation initiatives (4 Box Operational Framework)
- Recommendations were evaluated and prioritized, with higher priority given to recommendations that
 - Increase the level of maturity for lower maturity program areas
 - Enable more successful implementation or higher degrees of integration for high maturity program areas
 - Have more direct impact on VHA’s mission to deliver quality health care to the nation’s Veterans
 - Address recognized “pain points” for the organization
 - Have a higher degree of impact on other talent management program areas
 - Improve VHA performance against key components of substantive talent management identified in this study
- The subset of highest priority recommendations were clustered into 5 major recommendation areas
 - **Recruitment Transformation**
 - Workforce Planning, Management, and Deployment Transformation
 - Competency Based Management Integration
 - **New Employee Experience and Retention Initiative**
 - Project Management Office

Recruitment Transformation

Findings

- Recruitment is a largely de-centralized and local task
- Current recruitment processes and technology are not fully automated and integrated throughout VHA
- Current VHA metrics are primarily focused on turnover rates, percentage of employee referrals, and timeliness
- Metrics are not currently in place to capture costs or quality associated with recruitment
- Recruitment considered a "pain point" for VHA
- There are currently two complementary initiatives within VHA:
 - Recruitment pilot
 - Hiring systems redesign collaborative
- These initiatives could be strengthened by being incorporated into a broader, holistic recruitment transformation plan

Proposed Timing

- 12 months

Major Recommendation

Perform comprehensive recruitment transformation, including re-engineering the recruitment processes, implementing enabling technology, expanding metrics, implementing a Center of Expertise, and using targeted attraction and sourcing strategies

Supporting Initiatives

1. Establish vision and operational framework for recruitment transformation
2. Conduct business process re-engineering for recruitment processes
3. Expand metrics used to evaluate recruitment
4. Assess and implement enabling technology
5. Design and implement recruitment Center of Expertise
6. Develop and implement attraction and sourcing strategies

Benefits

- Single end-to-end recruitment process across VHA
- Improved delivery of recruitment services to hiring managers throughout VHA
- Increased visibility into recruitment function
- More informed decision making regarding the program
- Increased efficiency (costs per hire, cycle times) and effectiveness (quality of hires) of the recruitment process

New Employee Experience and Retention Initiative

Findings

- Cause of significant turnover in first two years of employment not determined
- Highly decentralized retention practices
- Effectiveness of retention programs has not been examined in detail
- There are currently two complementary initiatives within VHA
 - Analysis of turnover
 - New employee orientation project to develop a standardized model for new employee orientation using accelerated learning techniques

Proposed Timing

- 9 months

Major Recommendation

Evaluate new employee experience to identify employee value structure and improve retention within first five years of employment

Supporting Activities

1. Establish vision for desired new employee experience
2. Conduct data collection to identify key success factors in achieving desired experience
3. Conduct detailed assessment of how retention practices are implemented
4. Identify opportunities to improve new employee experience
5. Determine technology and tools to support initiative

Benefits

- Improved understanding of new employee value structure
- Reduced attrition of high-potential / high-performing employees
- Reduced recruitment workload

Talent Management Best Practices by TMOs

Right Skill

- High maturity organizations in this study were more likely to conduct workforce analysis using distinct attrition rates to identify competency and Full Time Equivalent (FTE) gaps for:
 - High potential employees
 - High performing employees
 - Employees in critical occupations
 - Employees in hard to fill positions
 - New hires
- High maturity organizations in this study were more likely to use the following measures to evaluate their programs:
 - Program performance measures
 - Impact of branding efforts on the applicant pipeline
 - Training assessments
 - Success in converting interns to hires
 - Quality of hire assessments (including performance, retention, manager satisfaction, and cost of hire)
 - Employee potential identified at hiring
 - Percentage of new hires in high-potential talent pools
 - Diversity statistics and promotion rates of high-potential employees
 - Performance ratings of high-potentials versus non-high-potentials
 - Employee Satisfaction Measures
 - Career development opportunities
 - Individual Development Plan (IDP) process
 - Performance management processes
 - Reasons for leaving (through exit interviews)
 - Business Unit Satisfaction Measures
 - With the succession planning program

Talent Management Best Practices (cont)

Right Skill

- High maturity organizations typically involve managers and supervisors at all levels in the following activities for their employees:
 - Reviewing the development of current IDPs for all of their employees
 - Securing funding for the support of developmental activities identified in IDPs
 - Reviewing and monitoring employee participation in learning activities and career development objectives identified in IDPs
 - Serving as mentors to demonstrate the importance of mentoring programs
 - Owning formal support provided to new hires to promote their immediate success
 - Evaluating high-potential talent who could eventually move into key positions
- High maturity organizations in this study were more likely to report the following characteristics as part of their mentoring programs:
 - Designing mentoring programs with a focus on career advancement-related issues and opportunities
 - Assigning peer "buddies" and management coaches to new hires
 - Providing new managers with management mentors
 - Establishing mentor/mentee relationships to facilitate transfer of job-related knowledge
 - Establishing mentoring relationships between retirees and employees to gain from their knowledge and experience
- High maturity organizations in our study were more likely to communicate:
 - Policies and formal communication materials around diversity
 - Commitment to promoting from within the organization
 - Competency models
 - Career and leadership development opportunities and formal programs

Talent Management Best Practices (cont)

Right Skill

- In this study, high maturity organizations cited an additional set of practices for robust career models that low maturity organizations did not, including:
 - Using well-articulated career models that clearly define requirements for success
 - Customizing models for different workforce segments
 - Developing career models with broad base of input from senior and line management
 - Integrating career models with training curricula and development opportunities
- High maturity organizations cited an additional set of practices for retention that low maturity organizations did not, including:
 - Developing a comprehensive on-boarding process
 - Conducting periodic follow-up to identify special needs of new hires
 - Offering a variety of incentives to retain high-potential employees, ranging from intrinsic to monetary
 - Providing managers with access to professional executive coaching and organization development consulting services
 - Establishing structured action planning to address root causes of employee turnover
- High maturity organizations cited an additional set of practices for knowledge sharing that low maturity organizations did not, including:
 - Identifying training needs in IDPs
 - Providing transition support for employees moving to new positions
 - Developing formal and structured hand-off documents
 - Creating opportunities to share lessons learned
 - Utilizing retirees in development and delivery of training programs and information exchange sessions to share institutional knowledge
 - Eliciting regular feedback from community participants through a standard process
 - Using communities to exchange lessons learned, as well as update practices and procedures
 - Documenting community of practice discussions and results

Talent Management Best Practices (cont)

Right Time

- High maturity organizations communicate their commitment to identifying/developing high potential talent through:
 - Summaries of succession planning review meetings, including decisions and action plans
 - Workforce plans
 - Development programs
 - Ongoing two-way communications between succession planning committees and business unit leaders charged with talent development responsibilities
- High maturity organizations cited an additional set of practices that low maturity organizations did not, including:
 - Dedicating a significant percentage of executive and business unit leader time to talent management
 - Forming leadership development initiatives at the executive level
 - Involving senior management in the assessment of those identified as high-potential
 - Generating input from senior business unit leaders and line management on anticipated shifts in business focus expected to impact workforce demand
 - Including succession planning as a regular topic of discussion for executives and business unit leaders

Talent Management Best Practices (cont)

Right Time

- High maturity organizations reported establishing formal processes to gather business unit feedback on succession planning and workforce planning. This feedback was collected annually, and used to enhance the programs. Mid-maturity organizations also incorporate business unit feedback to make program adjustments; however, this feedback was collected on an informal, ad-hoc basis.
- High maturity organizations were more likely to target students with high priority skill sets for special internships, as a part of the campus recruiting process.
- Furthermore, high maturity organizations were more likely to report the following practices once new hires joined the organization:
 - Performing quality of hire assessments (including performance, retention, manager satisfaction, and cost of hire)
 - Identifying high-potentials for participation in development programs as early in their career as possible to maximize development opportunities
 - Establishing "fast-track" programs to accelerate development of high-potential employees
 - Establishing different pools for different levels within the organization
 - Using consistent scorecards when identifying high potentials for objective decision making

Talent Management Best Practices (cont)

Right Place

- Organizations in this study with high maturity in workforce management and deployment were more likely to report:
 - Cultivating the notion that high-potential talent is a shared resource
 - Developing and communicating policies that support deployment to all business units
 - Developing a mature tele-work program for appropriate roles in the organization
 - Creating a supportive culture for exercising mobility work arrangements
 - Creating and documenting a common set of core skills and competencies to facilitate deployment across the organization
 - Planning for and building capability to backfill deployed employees
 - Establishing process to ensure accurate skills and expertise data is captured
 - Putting policies in place to support and promote skill capture
 - Assigning dedicated resources responsible for deploying employees to support business requirements
 - Providing incentives to motivate employee participation in assignments across organizational boundaries
- Establishing an ongoing process to gather and analyze a standard set of data to gain insight into the workforce, is an important element of getting the right skills at the right place. Organizations with high maturity in workforce management and deployment were more likely to indicate:
 - Conducting regular “vulnerability assessments” for high potential candidates
 - Utilizing data from employee profiles and IDPs to identify developmental activities required for employees
 - Developing succession charts of high potential employees reflecting organizational structure

Polling Questions

3. What part of today's webinar was most useful to you?

- Study Objectives/Methodology
- Major Findings/Recommendations
- Best Practices

4. What future webinar topic would be most interesting to you?

- Patient Care Teams
- HR Best Practices
- The Rol of Workforce Development

Thank You For Joining Us!

Contact Info:

Catalyst Learning Company: 502-584-7337

lfischer@catalystlearning.com; rsell@catalystlearning.com

www.catalystlearning.com

www.schoolatwork.com

