

Walking Together: Creating HR Strategy for Your People and Your Organization

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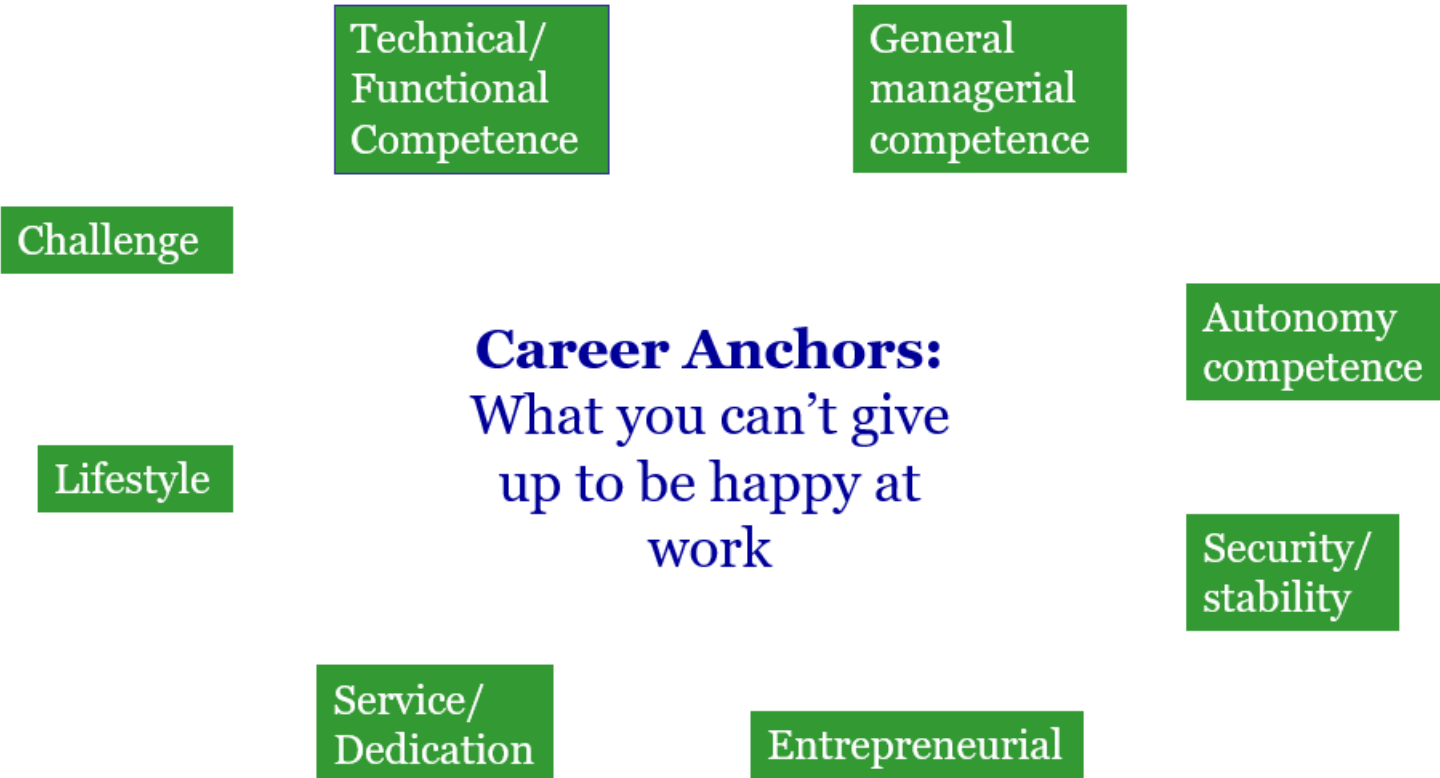


www.wattsuphr.com

The eight forces affecting the current state of work:

- Skill gaps and changing labor markets
- Technology: automation hopes and fears
- Demographics: U.S., global, migration and reverse migration
- What people seek from work: autonomy/agency/voice, mastery, purpose and meaning
- Where work is done: home, anywhere, on-site, work-home relationship
- New and evolving employment models: gig, shamrock organizations and commitment and talent models
- Technology: machine learning and AI
- Integrating AI into how people are managed

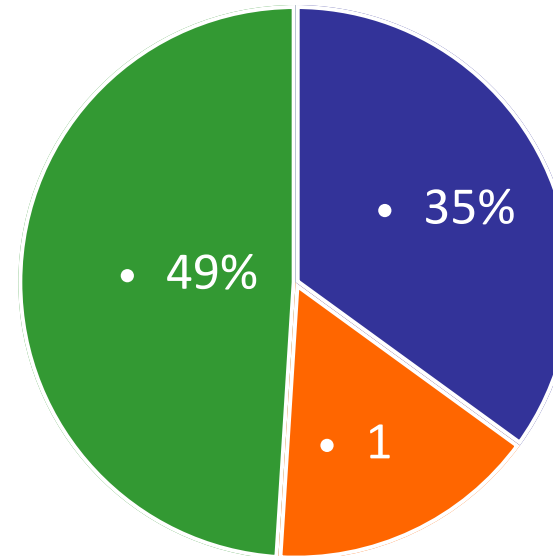
What are your “career anchors?”



People work for different reasons!

**Work
Orientation, by
Percentage**

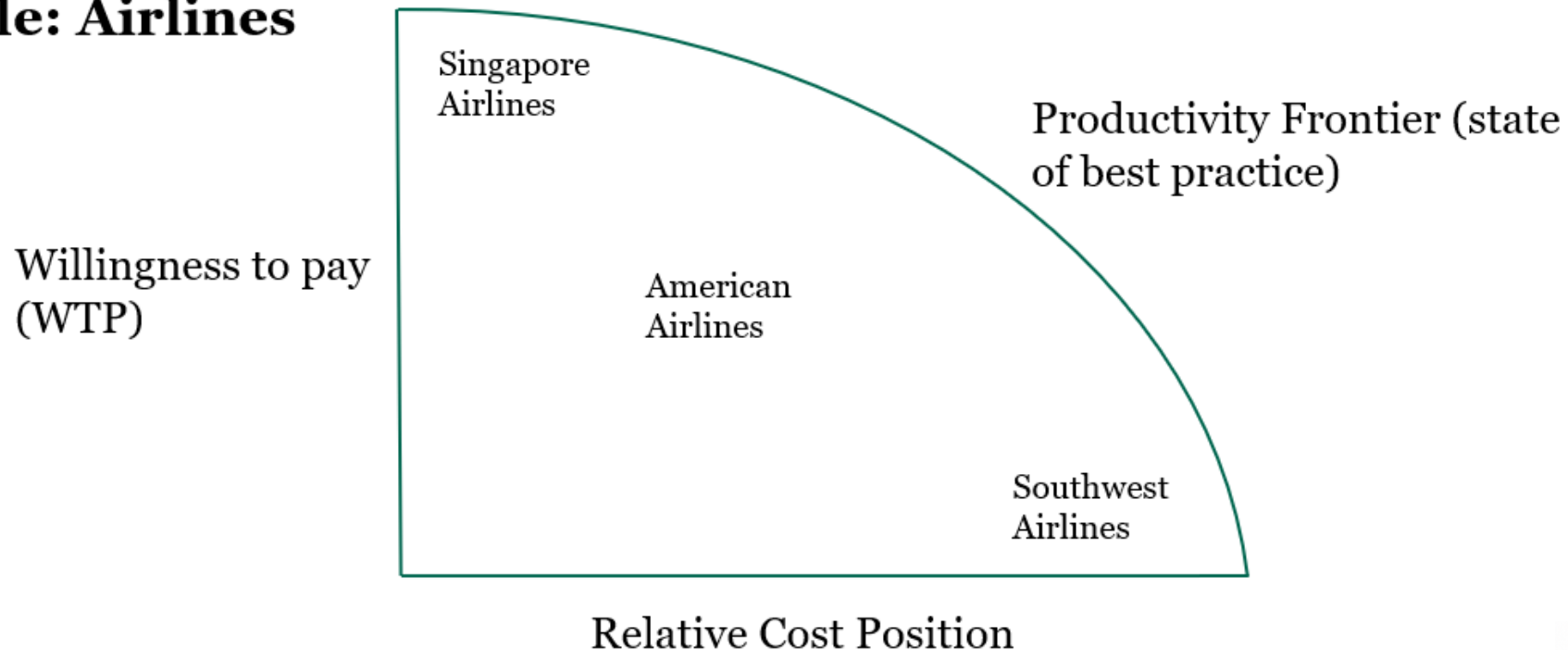
- Job Orientation: Work as a means to an end
- Career Orientation: Motivated by success, prestige, status (upward mobility)
- Calling Orientation: Work is integral to life and self-identity



● Job Orientation ● Career Orientation ● Calling Orientation

Competitive advantage is a function of relative cost position and willingness to pay (WTP)

Example: Airlines



Culture eats strategy for breakfast.

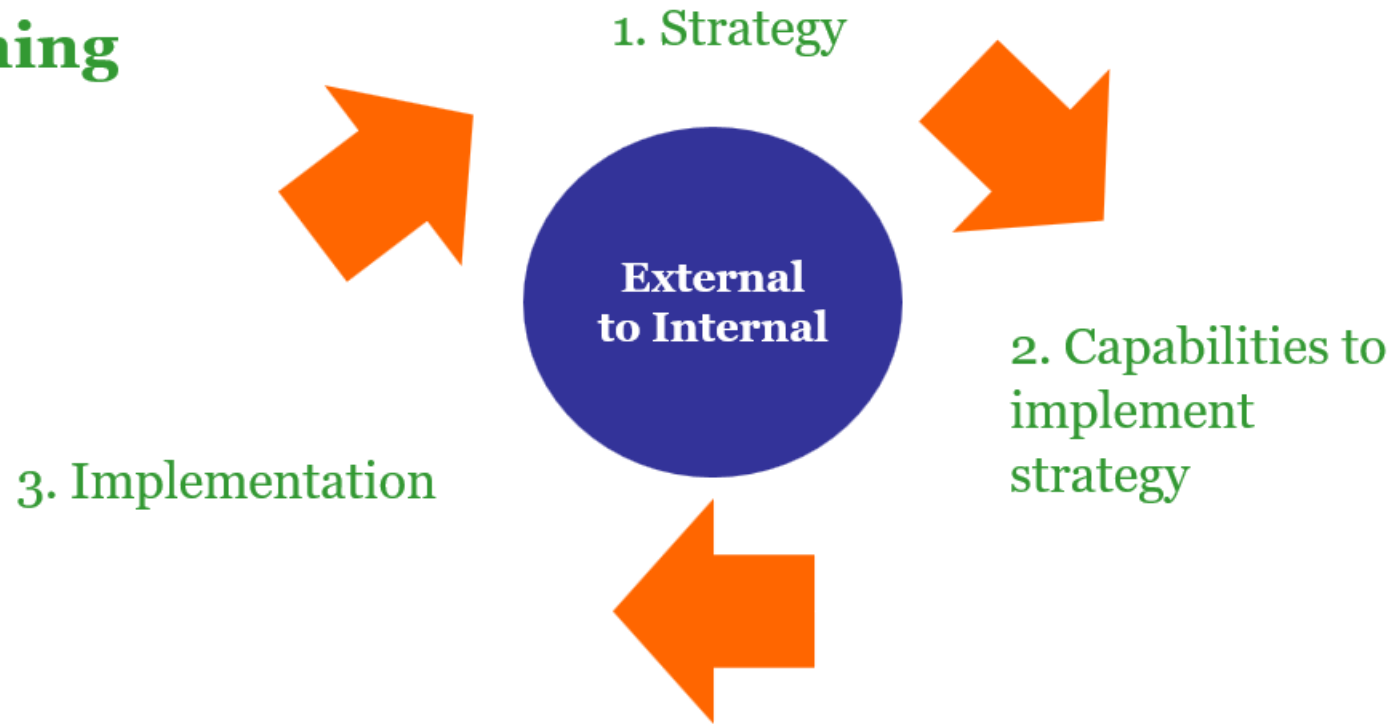
- Peter Drucker

... but we still need strategy... **and people strategy and operations help to create the culture.**



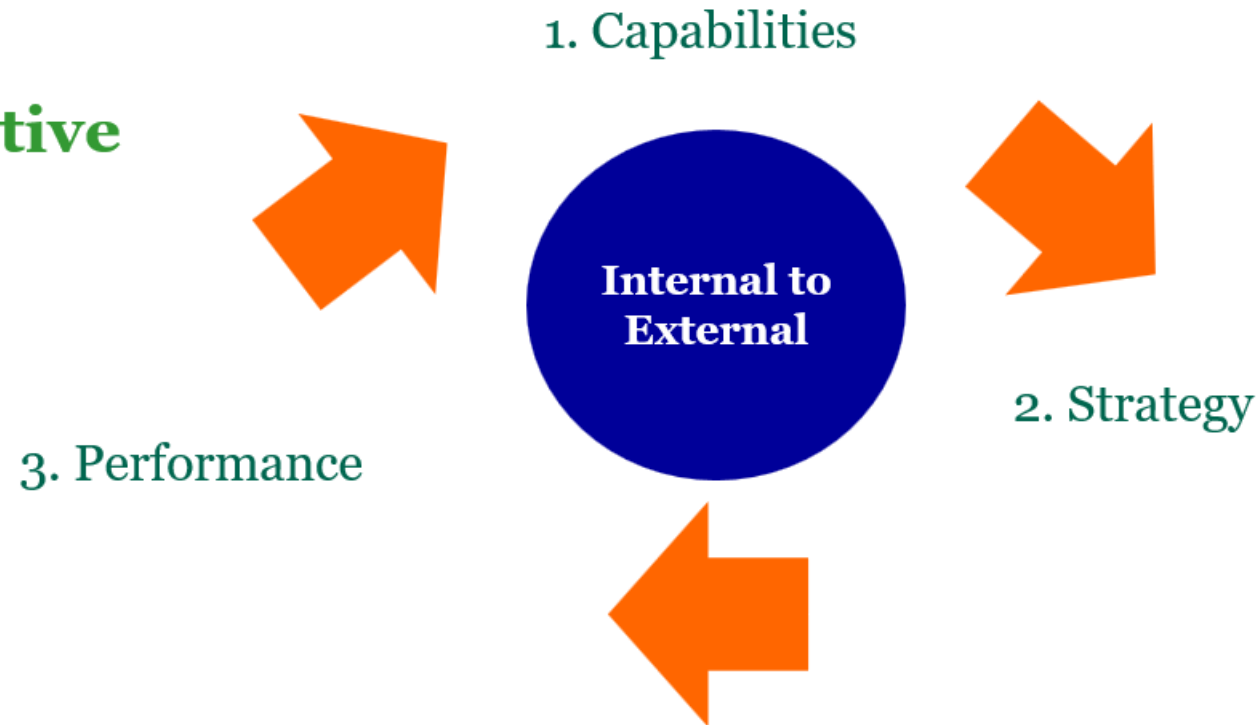
Strategic Planning Concepts: Strategic Positioning vs. Resource-Based Perspective

Strategic Positioning

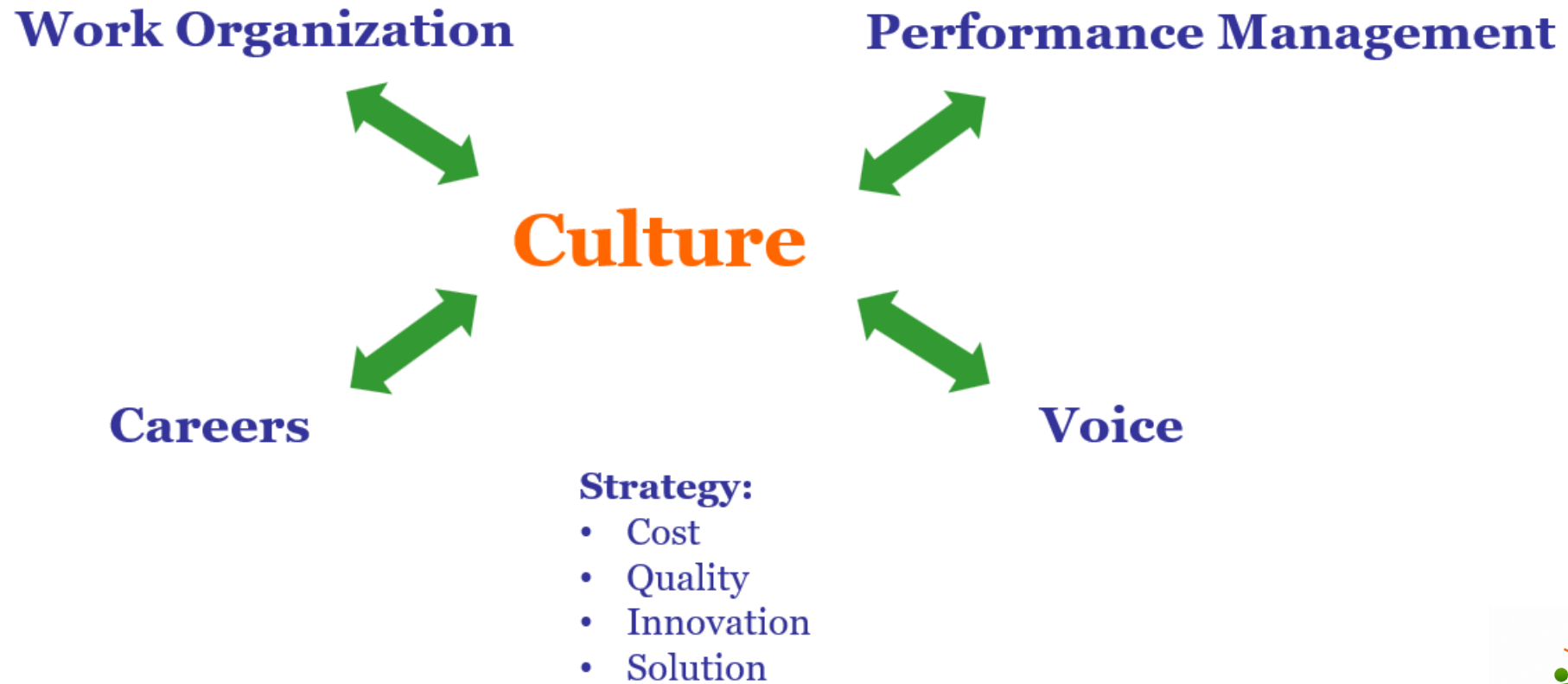


Strategic Planning Concepts: Strategic Positioning vs. Resource-Based Perspective

Resource- Based Perspective



Frameworks for HR Strategy: Bureaucratic, Commitment, Star or Collaboration



Framework for HR Strategy: Bureaucratic

Work Organization

(Formal, rules, high specification)

Performance Management

(High efficiency, much supervisor discretion)

Obedience

Careers

(Stability, security, promotion from within)

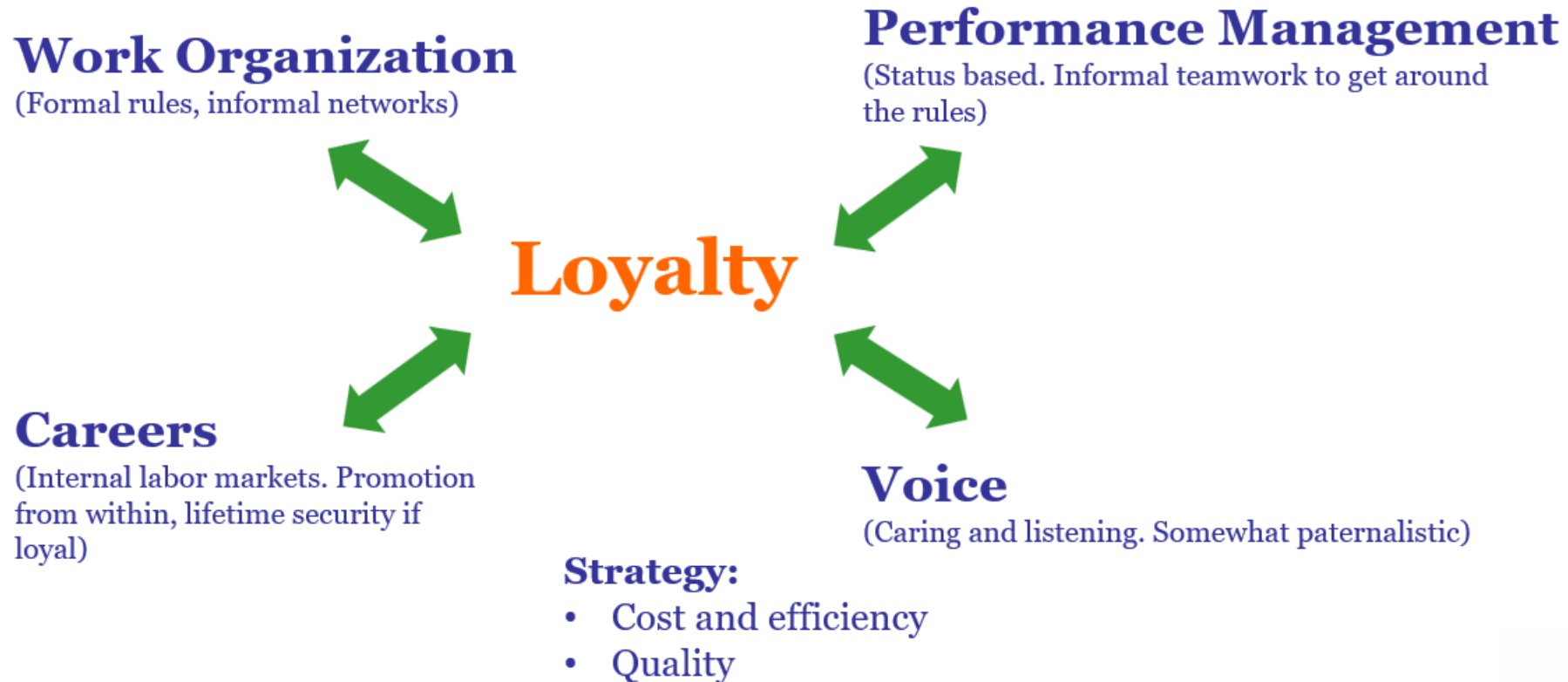
Voice

(Disconnect through quitting. Unions arise)

Strategy:

- Cost control and efficiency

Framework for HR Strategy: Commitment (Traditional Version)



Framework for HR Strategy: Commitment (Modern Version)

Work Organization

(Formal rules, informal networks)

Performance Management

(Individual/team bonuses. Frequent feedback)

**Reciprocal
Commitment,
Discretionary
Effort**

Careers

(Selective hiring and training.
Employment Security. Internal
markets)

Voice

(Team voice. High information sharing.
Few status distinctions)

Strategy:

- Cost and efficiency
- Quality
- Product variety

Framework for HR Strategy: Star



Framework for HR Strategy: Collaborative

Work Organization

(Complex. Often matrix. Fluid team membership. Little hierarchy)

Performance Management

(Constant goal/strategy talk. Know what customer wants.)

Performance

Careers

(No set paths. Strategy and process skills are prized. Medium-term commitment.)

Voice

(Constant goal / strategy talk. Know what customers want.)

Strategy:

- Reciprocal contribution
- Customer centric
- Quick trust

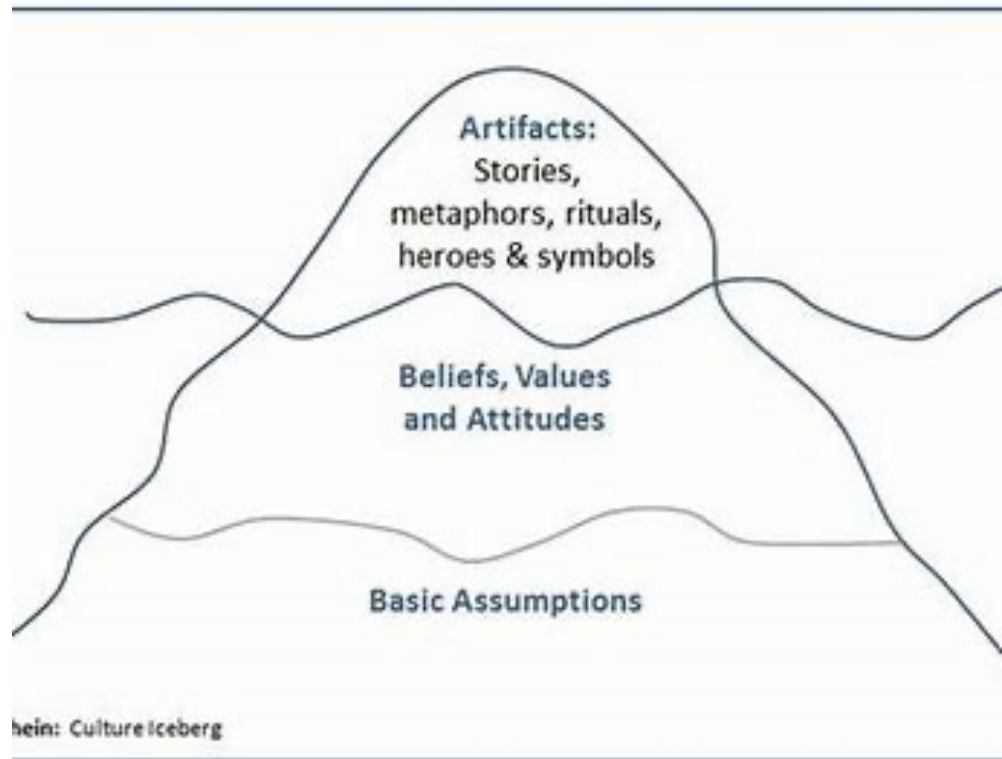
Effective strategic planning includes a mindset shift from:

**What do I believe? to
What would I have to believe?**

- **From:**
 - What should we do?
 - What do I believe to be true?
 - What is the right answer to this question?
- **To:**
 - What might we do?
 - What would I have to believe?
 - What is the right question?



Values and Culture: Edgar Schein's Iceberg Model



← Verbal and physical (what we see – high visibility, high impact). Culture signals for new employees

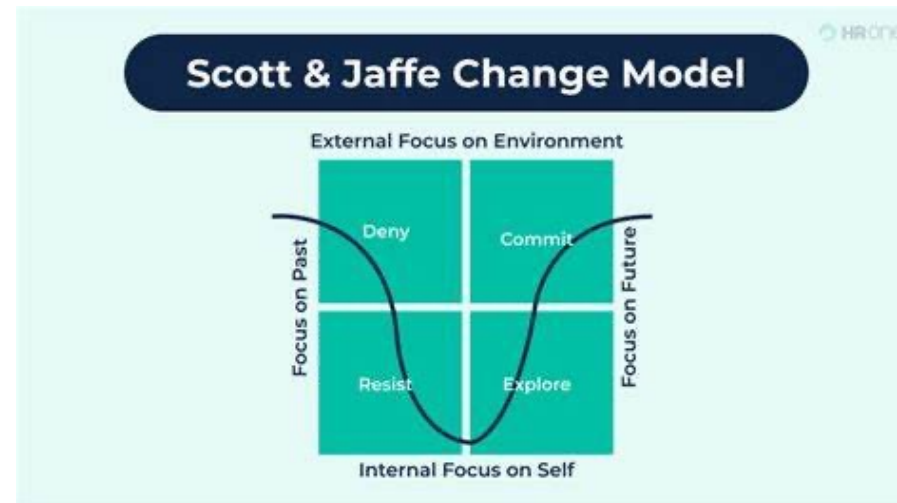
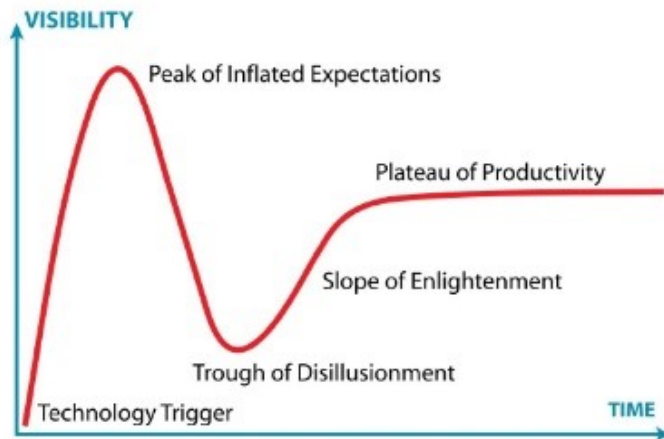
← Shared statements (what we believe)

← Taken for granted / “how things are” (low visibility, low impact). Reinforced by incumbent employees.

HR and Technology (especially AI): Do you believe the hype?

- Gartner hype cycle: [Gartner Hype Cycle Research Methodology | Gartner](#)
- Scott and Jaffe change model: [Scott and Jaffe Change Model | LaptrinhX](#)

Gartner Hype Cycle



HR and Technology (especially Artificial Intelligence)

- A few points and predictions:
 - New technology usually replaces tasks, not jobs. However, when jobs are replaced, it often takes people in those jobs a long time to retool.
 - Historically, new technology becomes a helpful assistant to people. AI may be seen as a “cobot”, not a robot, which helps accelerate decision making.
 - Data science and enterprise operations will grow in importance in HR.
 - Garbage in, garbage out.
 - Implementation speed will be tamped down in HR and healthcare due to:
 - Regulatory environment
 - Fear of change

Quiz question #1: Out of 100%, what percentage of citizens in each of the two following countries elect to donate their bodily organs upon death?

Germany: 12%

Austria: 99%

The difference: Germany: Opt-in
Austria: Opt-out

Reference: Chip Heath and Dan Heath, “Switch”



Quiz question #2: Out of 100%, what percentage of each of the following factors contributes to an organization's profitability?

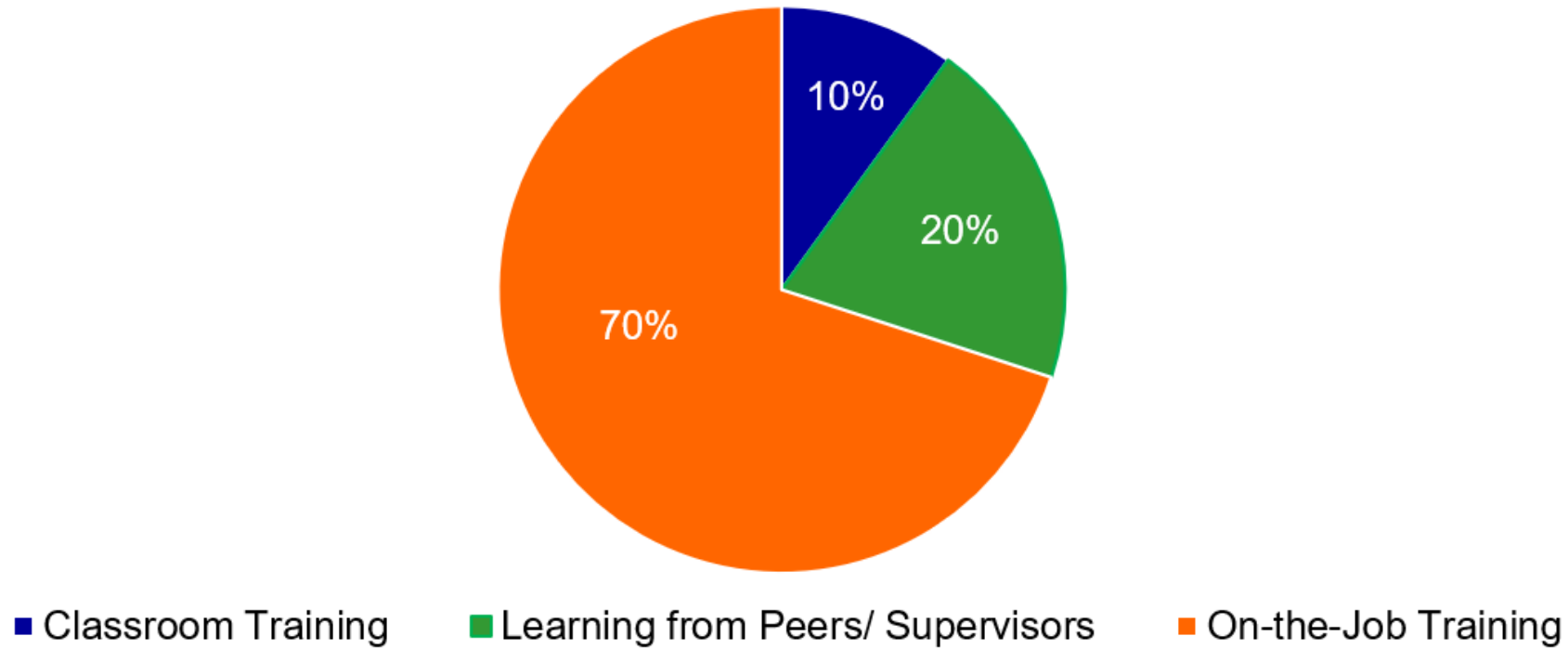
The industry: 25 – 30%

Corporate excellence: 10 – 15%

Positioning: 60%



Quiz question #3: When learning a new skill, what percentage of learning occurs by the following methods?



Quiz question #4:

The top three workplace motivators are:

According to workers:

- **Appreciation**
- **Belonging and voice**
- **Empathic voices**



INTRINSIC

According to supervisors:

- **Good wages**
- **Job security**
- **Promotions**



EXTRINSIC

\$50 tips

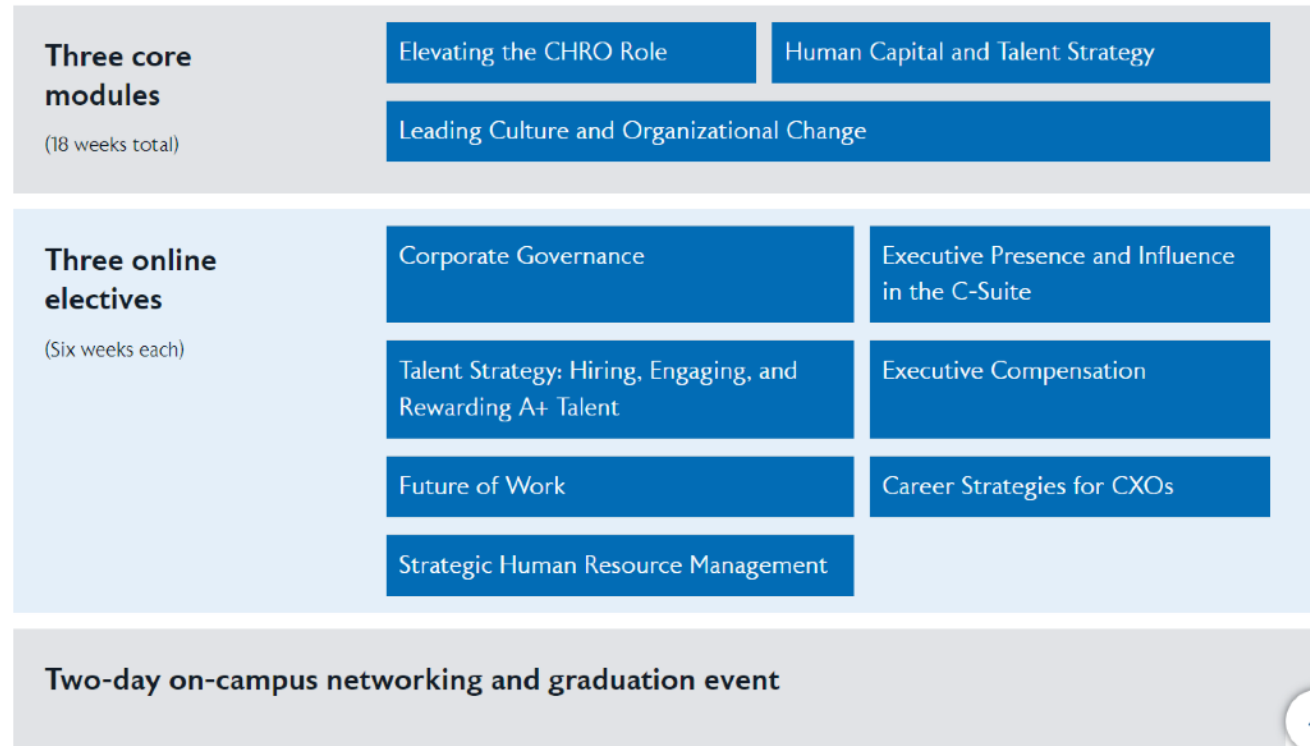


- Operational excellence is NOT strategy.
- Strategy is a choice of what we will and will not do.
- Focus on “best practices” does NOT lead to improvement relative to competition.
 - Benchmarking leads to similar companies, which leads to fierce competition.
 - Many companies put together a patchwork of best practices that don't align with their context.
 - Competitive advantage is derived from figuring out how to keep others from copying what we do well. How are we different from our competitors?
 - Southwest Airlines
 - Trader Joe's

Addendum: About the Wharton CHRO Program



Background: Wharton CHRO Executive Education Program



[Chief Human Resources Officer Program \(upenn.edu\)](https://www.upenn.edu/chro-program)



Program Characteristics

- Evidence-based
- Multinational
- Multidisciplinary
- Quantitative and qualitative
- Strategic content
 - The Future of Work
 - Intersection of Human Capital and Technology
 - Mastering Talent Management
 - HR Management and Analytics

