Net Flow of Talent – Treating Human Resources as the most Important Asset of the Firm
Human Resources Strategy
THE FUNDAMENTAL ELEMENTS OF THE DEFINITION OF A HUMAN RESOURCES STRATEGY

Corporate Strategy
- Mission of the firm
- Strategic thrusts

Human Resources Requirements

Business Strategy
- Mission of the business
- Broad and specific action programs

Human Resources Requirements

Human Resources Internal Scrutiny
- Distinctive process and functional competencies for all strategic categories of decisions

Definition of Strengths and Weaknesses

Human Resources Environmental Scan
- Industry and competitive analysis
- Process and Functional intelligence

Identification of Opportunities and Threats

Human Resources Strategic Agenda
A set of multiyear broad action programs

Budgeting
Strategic funds programming and operational budgets
GE Human Resources Practice
Selection, Promotion and Placement

• Developing Leaders - Realigning the skill sets and the mindsets with new strategies and organizational imperatives.

• “The new psychological contract” - the jobs are the best in the world for people willing to compete.

• Wanting only “A Players“ - individuals with vision, leadership, energy, and courage.
Appraisal

• Session C of human resources

• The four types of managers

• The 360 degree feedback exercises

• The forced appraisal system (5 categories (the “top” 10% as 1, the “strong” 15% as 2, the “highly valued” 50% as 3, the “borderline” 15% as 4, and the “least effective” 10% as 5)

• Stretch: achieving the impossible.
The Four Types of Managers

<table>
<thead>
<tr>
<th>Deliver Commitment</th>
<th>(IV) Autocrat, Big Shot, Tyrant</th>
<th>(I) Onward and Upward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>(II) Out</td>
<td>(III) Get a 2nd chance, on a different environment</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Share Values
Rewards

• From a system driven by narrow-range increases in base salary supplemented by bonuses based on one’s business performance, to a model in which stock options become the primary component of management compensation. Expanded number of recipients from 300 to 30,000.
Management Development

• Crotonville’s priority is the development of a generation of leaders aligned to GE’s new vision and cultural norms.
Labor/Employees relationships and voices

• Work-out - creating the culture of a small company, where everybody is engaged and has a voice.
Debriefing of Bill Huyett’s Presentation

The core of Huyett’s presentation: Talent - Thriving in a Crazy World.

1. Quality is “Fitness for Purpose” (e.g. a strategy, a transformation, a bet, a need).
2. Talent quality starts at the top.
3. Talent dynamic has hysteresis, gain, self-organization.
4. “Portfolio” quality is as important as individual quality.
5. Attracting, developing, and retaining talent demands significant time.
6. “Value propositions” matter to people.
   • Combine timeless and contemporary components.
   • Robust in face of cultural, generational difference
   • Include share values/norms.
The issues the students considered favorably in Huyett’s presentation

- Importance of having a good top management (talent starts at the top) who devotes an important percentage of its time in attracting, retaining and developing talent.
- Fitness for purpose is key when analyzing talent.
- Importance of portfolio management of talent and diversity in the workplace.
- Alignment between talent and company strategy.
The issues the students thought missing from the presentation

- How talent fits with organization design
- How to think about customer and investor influence in HR.
- How to develop metrics related to the contextual guide of how to hire
- How to implement the presentation
- How does the HR department fit in the grand scheme of things.