Solving Human Resources Pain Points
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In our 25+ years of working with Fortune 500 and Fortune 100 companies, Aarthun Performance Group, Ltd. (APG) understands the specific challenges and “pain points” there are in the Human Resources of any company.

According to HR professionals, the three biggest challenges facing HR executives over the next ten years are:

- **59%** Retaining and rewarding the best employees
- **52%** Developing the next generation of corporate leaders
- **32%** Creating a corporate culture that attracts the best employees to organizations

Let’s look at the biggest issue – Retaining and Rewarding the best employees.

Source: Society for Human Resources Management
Pain Point: Unsuccessful Onboarding Programs

New employees enter a company with little or no experience in the industry.
“90% of organizations believe that employees make their decision to stay within the first year.”

Source: Aberdeen Group

“Workers are typically more engaged in their first six months on the job than they will be at any other stage in their employment with that company. Although engagement peaks during this early period, only half (52%) of employees are engaged at this point, suggesting that there may be room for improvement in most companies’ onboarding processes.”

Source: Gallup Inc.
Top objectives for initiating an onboarding program:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td>Getting new employees productive more quickly</td>
</tr>
<tr>
<td>67%</td>
<td>Better employee engagement</td>
</tr>
<tr>
<td>51%</td>
<td>Better employee retention</td>
</tr>
<tr>
<td>49%</td>
<td>Better assimilation of new hires</td>
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</tbody>
</table>

Source: [Aberdeen Group](http://www.aberdeen-group.com)
How do you make onboarding useful, engaging, and memorable, especially when your new hires may be coming in with little or no experience in your industry?
The Profit Specialist®
Solution for Onboarding Success
“Only 17% of organizations apply gaming techniques to the new hire experience. Organizations with ‘gamification’ in place are better positioned to align onboarding strategies with learning and development initiatives.” The Profit Specialist® uses customized business simulations to keep employees engaged in the learning process.

Source: Aberdeen Group
Solution

Organizations with simulations (gamifications) used in training improve:

- **Engagement by 48%** compared to 28% engagement improvement by organizations that do not use gamification.
- **Turnover by 36%** compared to the 25% turnover improvement by organizations without gamification.

Source: Aberdeen Group
With The Profit Specialist® program, new employees go through a **customized business simulation** training program. They practice running your company’s business, allowing them to **experience the business** as an owner or senior manager. They then apply the knowledge they’ve gained to their current roles in the organization.
Creating Onboarding Success at Abbott Laboratories

Abbott Nutrition, a division of Abbott Laboratories, develops and markets a wide range of science-based infant formulas, medical nutritionals, nutrition and energy bars, and related products to support health and wellness. It is a highly competitive market and the cost of doing business has continued to increase.
Abbott was facing pricing pressures and needed to refocus on growing their business profitability.

The Profit Specialist® training programs were customized for sales team members in multiple divisions, which helped them understand how cash flows through their business and that of their customers’. Over $6 million of increased revenue was achieved in the first six months of the program as the sales team focused on reducing product returns, improving margins, and delivering improved service.
The Profit Specialist®

Customized Abbott Laboratories Solution

- A program to help employees understand how cash flows through the business and how they can directly impact profitability by delivering value.

- Due to the success of the programs customized for the Sales Teams, The Profit Specialist® is now offered as a business and financial acumen training program to all of their employees, including those participating in their comprehensive onboarding programs.
Abbott is now defined as one of the top five companies to work for. One of the factors included in this rating is the amount of training and development provided to people in the company.
Pain Point: Employees Lacking Alignment with Corporate Strategies and Initiatives

Inexperience and a deficit of business acumen prevents employees from making the connections that allow them to see how their day-to-day responsibilities impact corporate initiatives.
Only 41% of employees feel that they know what their company stands for and what makes its brand different from its competitors’ brands.

This suggests that too many companies are failing to help their workers understand what makes their company different and better than the rest.

Source: Gallup Inc.
When examining the data by job role:

- **60% of executives** strongly agreed that they know what their company stands for and what makes its brand(s) different from its competitors’, compared with **46% of managers** surveyed.

- **Only 37% of “other” employees** (non executives and non managers) strongly agreed that they understand their company’s brand promise and brand differentiation. Yet, many of these employees interact with customers every day.

Source: Gallup Inc.
Once employees are onboard, how do you make sure their decision making and actions are aligned with corporate strategies and initiatives?
The Profit Specialist®
Solution for
Aligning Employees with
Corporate Strategies and Initiatives
Solution

To maximize the power of their engaged employees, companies must give them the knowledge and resources they need to be effective brand ambassadors.
Employees must:

Know what the **organization stands for** and what makes it **different from others** in the marketplace

- Understand the importance of his or her **role** to the company’s **mission and purpose**

- Understand the company’s **brand promise** and be able to explain the most important elements of the **brand identity**

- Be **empowered** to deliver on the **brand promise**
Leaders must:

Align each employee to the company’s brand promise and ensure that he or she is prepared and equipped to be a positive brand ambassador for the organization.

Source: Gallup Inc.
The Profit Specialist® Solution
For Aligning Employees with Corporate Strategies and Initiatives

One of the main takeaways from The Profit Specialist® is the business acumen gained from the practice of running the business in the customized simulation. People experience the challenges of running the business, complete financial reports, and evaluate business results.
Aligning Employees with Corporate Strategies at General Electric

One of the largest financial services companies in the U.S., General Electric is a $163 billion manufacturer of commercial and industrial products. Ten GE companies have installed Aarthun Performance Group, Ltd. customized The Profit Specialist® process to build stronger business people and to accelerate revenue growth. One of these, GE Infrastructure, was formed in 2005 and split apart in another reorganization in 2008.
Decision making must be tied to the economics of the business and linked to business strategy.

Managers must share information with employees to provide them more concrete direction about what they should do within their division, department, or function, helping create an environment where value creation becomes a daily discipline that is actionable, observable, and measureable.
The Profit Specialist®

Customized GE Solution

- A program to help managers and employees understand how GE makes money.
  - Managers at every level developed an understanding of how to connect with the organization’s key strategic and financial drivers in order to deliver the results that build shareholder value over time.
  - Managers and employees identified financial, operational, and process improvements that could drive one or more of GE’s key economic drivers.
Profit Improvement Ideas developed by GE employees and implemented by management have generated millions of dollars of cost effective solutions for GE.
Aligning Employees with Corporate Strategies at Chevron Corporation

Chevron Corporation is an American multinational energy corporation. It is engaged in every aspect of the oil, gas, and geothermal energy industries, including exploration and production, refining, marketing and transport, chemicals manufacturing and sales, and power generation. Chevron has partnered with Aarthun Performance Group, Ltd. since 2002.
The Profit Specialist® Solution
For Aligning Employees with Corporate Strategies and Initiatives

Background

With the pressure of ambitious financial goals, aligning the organization around the internal and external decisions that drive results is critical at Chevron.

- Understanding shareholder value and improving profitability and efficiency is a company-wide endeavor.
Customized for the upstream segment of Chevron’s business, this simulation provided employees with:

- In-depth knowledge of the key phases of the oilfield cycle
- A clear understanding of why decision making must be tied to the economics of the business and linked to business strategy
Customized Chevron Solution

Customized for the downstream segment of Chevron’s business, Financial Acumen and Business Impact provides employees with:

- A focus on ways to increase earnings and returns, and decrease volatility with safe reliable operations, and ultimately identify ways to significantly grow manufacturing capability.

- An understanding of how a downstream company measures performance, the decisions faced by senior level downstream managers, the language they must master to communicate at higher levels, and a process to communicate value to management.
Using APG’s methodologies, managers and employees identified financial, operational, and process improvements that drove one or more of Chevron’s key economic drivers.

Ideas worth over $65 million were generated affecting Gross Margins, Expenses, and ultimately ROCE (Return On Capital Employed).

Both programs have become an integral part of Chevron’s leadership development program.
Pain Point: Employee Engagement, Satisfaction, and Retention

Studies have shown a statistical connection between training and employee retention. Studies have also shown a correlation between employees understanding where they fit into a company and how they make an impact, with their willingness to make a difference.
Currently, 30% of the U.S. workforce is identified as engaged in their work. The ratio of engaged to actively disengaged employees is roughly 2-to-1, meaning that the vast majority of U.S. workers (70%) are not reaching their full potential — a problem that has significant implications for the economy overall and for the performance of American companies.

Source: Gallup Inc.
Problem

More than 25% of the U.S. population experiences some type of career transition each year. Unfortunately, many transitions are not successful.

- Half of all hourly workers leave new jobs in the first four months.
- Half of all senior outside hires fail within 18 months.

Source: Society for Human Resources Management
How do you help maintain employee satisfaction and retention?
The Profit Specialist®
Solution for
Increasing Employee
Engagement, Satisfaction,
and Retention
Gallup’s extensive research shows that engagement is strongly connected to business outcomes and is essential to an organization’s financial success, including productivity, profitability, and customer satisfaction.

Engaged employees are the ones who are the most likely to:

- Drive the innovation, growth, and revenue that their companies desperately need.
- Build new products and services, generate new ideas, create new customers, and ultimately help spur the economy to create more good jobs.

Source: Gallup Inc.
Companies that engage their employees can minimize the chances that they will leave.

Millennials:
- 47% of actively disengaged employees strongly agree that they will switch jobs, compared with 17% of those who are engaged

Generation X:
- 44% of actively disengaged employees vs. 9% of engaged employees

Baby Boomers:
- 36% of actively disengaged vs. 5% of engaged employees

Source: Gallup Inc.
The Profit Specialist® Solution
For Increasing Employee Engagement, Satisfaction, and Retention

During The Profit Specialist® sessions, employees learn to see how every action they take and every decision they make is key to the success of the company – they know they are a critical part of the team. We know that when employees see themselves as a critical member of the team, job satisfaction, retention, and engagement soar.
The Profit Specialist® Solution
For Increasing Employee Engagement, Satisfaction, and Retention

Increasing Employee Engagement, Satisfaction, and Retention at Superior Energy Services

A $5B+ company which serves the drilling, completion, and production-related needs of oil and gas companies worldwide through a diversified portfolio of specialized oilfield services and equipment that are used throughout the economic life cycle of oil and gas wells.
Though most managers and employees at Superior Energy Services knew the importance of improving financial performance, few understood how they directly impacted the financial condition of the company through their everyday decisions. Their goals:

- Help employees understand how Superior measures profitability, performance, efficiency, and asset utilization
- Help employees understand how everyday decisions and actions have an impact on the bottom line
APG provided sales professionals with an in-depth knowledge of the oilfield life cycle including key measurements like Reserve Replacement Rate, Production Costs, Lifting Costs, Free Cash Flow, and ROCE (Return on Capital Employed). Participants learned to quantify the value Superior provides its customers.

Using The Profit Specialist® methodologies, managers and employees identify financial, operational, and process improvements that can drive one or more of Superior’s key economic drivers.
Over 250 Profit Improvement Ideas were generated, with one team’s idea generating over $5 Million of improved profitability.
Pain Point: Employees Who Do Not Think Like a CEO

Most employees are hired based on their experience and/or education. And once hired, have received training for their specific job. However, most people do not have firsthand knowledge of running a business or managing a company.
Solution

How do you get employees “to think like a CEO”?
Solution

The Profit Specialist®
Solution for Empowering Employees to Think like a CEO

Powered by Aarthun Performance Group, Ltd.
“To maximize employee and customer interactions and win in the marketplace, organizations need engaged employees deployed in every facet of their operation, not just in customer-facing roles.”

“At the same time, they must understand that engaged employees are essential on the front lines. Each employee needs to understand the importance of his or her role to the company’s mission and purpose, and each must be empowered to do what is right for the customer.”

Source: Gallup Inc.
The Profit Specialist® customized business simulations empower employees to think like a CEO by giving them the experience of running a company, calculating its financials, and analyzing the results.
Empowering Employees to Think Like an Owner at ConocoPhillips Canada

The world’s largest independent exploration and production company, based on proved reserves and production of liquids and natural gas. ConocoPhillips explores, develops, and produces crude oil and natural gas globally.
Senior leadership wanted to enhance ConocoPhillips Canada employees’ overall understanding of the upstream business operations and strategy, while increasing their knowledge of key financial measures used internally by ConocoPhillips Canada and externally by the investment community. Their goal:

- **Transform any employee apprehension, confusion, or misunderstanding about the company’s results into the confidence of a shareholder.**
The Profit Specialist® helped employees identify key strategies for improving operational efficiency across businesses and functional areas to create organizational synergy and teamwork.

By understanding the company’s key financial goals and business drivers, employees at all levels were able to identify and implement operational savings that helped ConocoPhillips Canada improve ROCE and overall efficiency.
The organization generated over 500 ideas with each idea generating an average of $10,500 of improvement to the business.

Four years after deploying our financial intelligence process, a multi-billion dollar insurance company saw a 50% increase in surplus over five years thanks to employees who “learned to think like business owners.”
The Profit Specialist®
for HR
When employees understand how every action they take and every decision they make is key to the success of the company, they know that they are a critical part of the team. Engagement increases, as do retention and profitability.
The Profit Specialist® helps every employee in your company to be an engaged member of the team. Whether newly hired or experienced in the organization, our customized business simulation engages people and teaches them to be better business people and to “think like a CEO”. Contact us to discuss how we can help you to transform your organization.
Sources


- Society for Human Resources Management. Challenges Facing HR Over the Next 10 Years. [http://www.shrm.org](http://www.shrm.org)
