

People management strategy.  
HR Directors' Forum, February 2010

- My search for credible material on HR strategy
- The business strategy
- The people management strategy

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My search for credible material on HR strategy

**The business strategy**

The people management\_strategy

# What is business strategy?

- A statement of where the organisation is going and how it plans to get there
- We need to know this before we can produce the people strategy
- I'll use the Upmarket Supermarket chain example to show how I think business strategy works.

# Upmarket supermarket chain

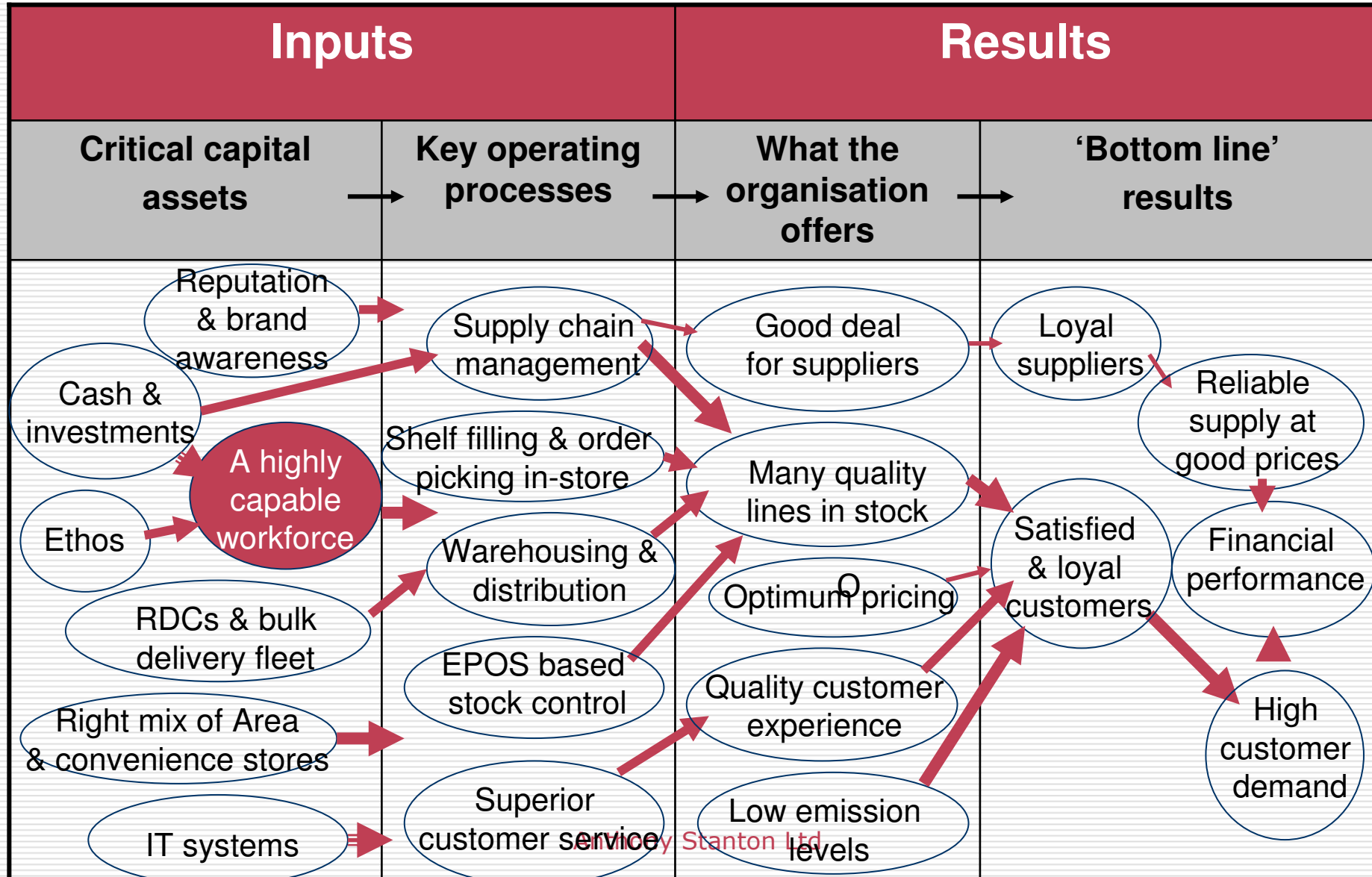
**Core purpose:** to provide high quality groceries and superior service.

**Mission:** to halve our carbon emissions by 2020.

**Strategy:** shift focus to:

- Shopping in Express corner stores,
- Home delivery,
- More locally sourced lines.

# Upmarket supermarket chain strategy map for 2020.



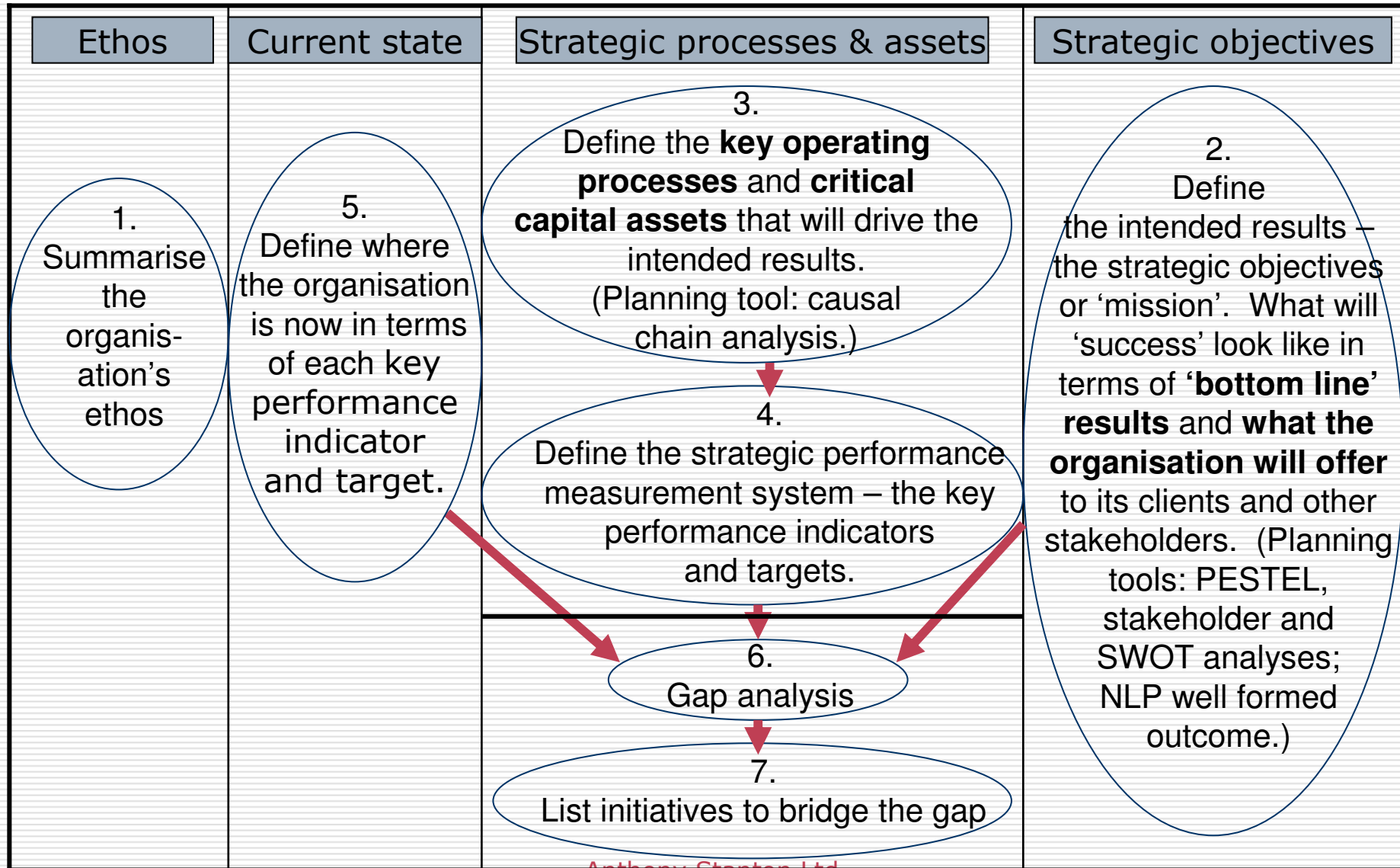
## Upmarket – strategic measurement system

- ❑ A measure and a target for every element in the strategy map.
- ❑ Set up a measurement system to produce the metrics.
- ❑ Gap analysis – identify the shortfalls.

## Upmarket: initiatives to bridge the gap

- ❑ Open 1,000 new convenience stores
- ❑ Area superstores will combine the functions of retail outlet and Area distribution centre
- ❑ Regional Distribution Centre operations will reduce by 20%

# Flowchart to illustrate what we just did



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- My search for credible material on HR strategy
- Devising the business strategy
- The people management strategy**

# What is people management strategy?

- A plan for building and maintaining the right workforce to deliver the business strategy

Again, I'll use Upmarket to illustrate the process.

## Upmarket supermarket chain: employer philosophy and workforce success criteria

**Employer philosophy:** high commitment to employees, trusting relationships, teamworking, staff involvement in decision making, and empowerment of staff to take decisions.

**What success will look like:** great service; 98% availability of over 5,000 product lines; much lower carbon emissions; workforce productivity of 8p in staff costs per £ sales.

# Upmarket supermarket chain: investment focus for job families

Scarce

**Scarcity  
in the  
labour  
market**

Less  
scarce

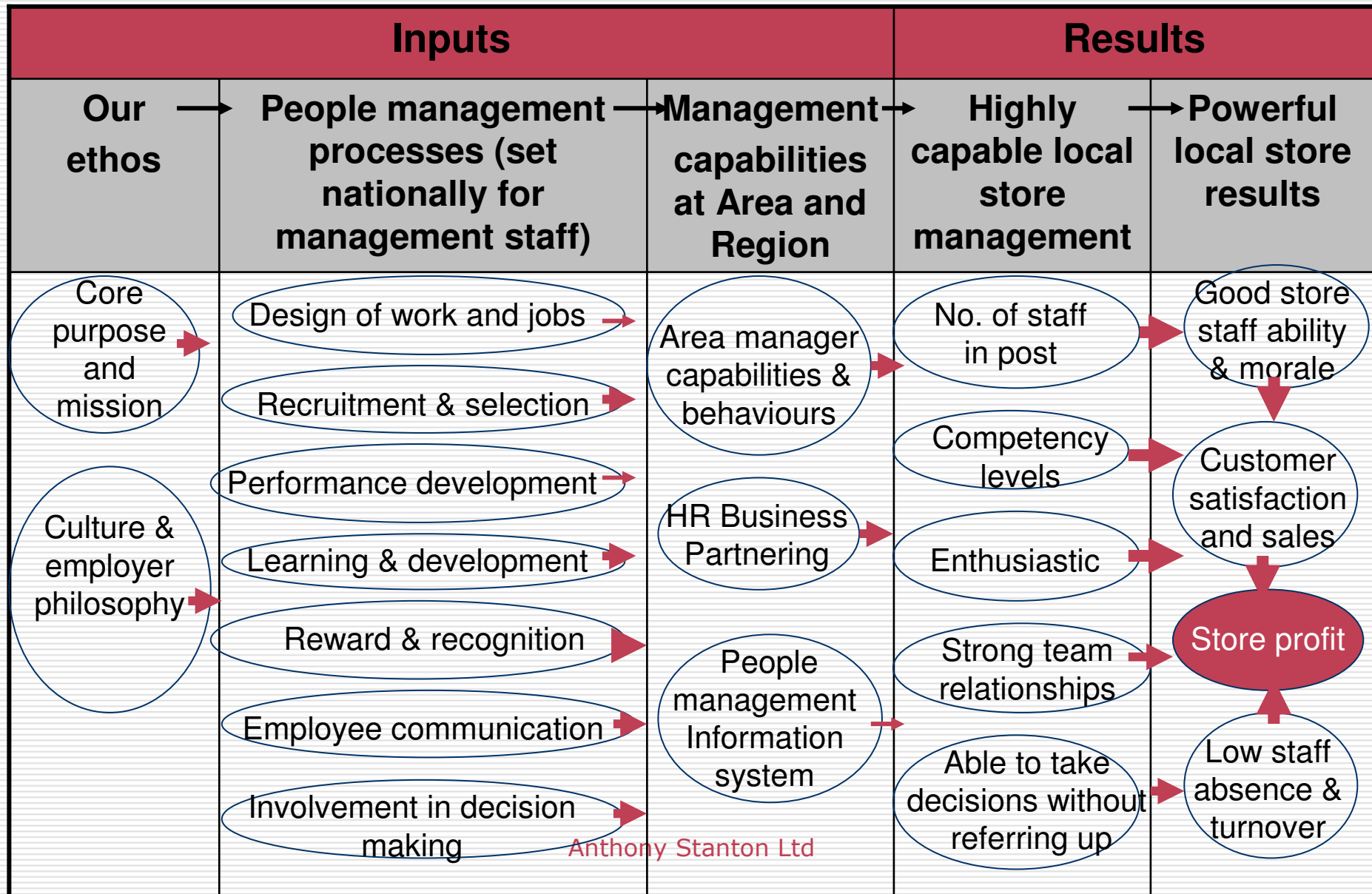
|  |  |
|--|--|
|  | <p><b>Gold investment 'A' jobs,</b> supported by corporate HR with strong main board attention:</p> <ul style="list-style-type: none"> <li>•Regional and Area managers.</li> <li>•RDC management teams.</li> <li>•Product buyers.</li> <li>•Customer/staff share scheme managers.</li> <li>• IT software engineers.</li> </ul> |
| <p><b>Standard investment 'C' jobs,</b> supported by Area or RDC HR teams:</p> <ul style="list-style-type: none"> <li>•Trolley staff, pickers, cashiers and outside staff.</li> <li>•Drivers.</li> <li>•Local administrative staff.</li> </ul> | <p><b>Premium investment 'B' jobs,</b> supported by Regional HR teams with strong regional management team attention:</p> <ul style="list-style-type: none"> <li>•Departmental management teams in Area stores.</li> <li>•<b>Convenience store management teams.</b></li> </ul>  |

Customer  
service impact

*Impact level*  
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Corporate  
impact

# Upmarket supermarket chain: national people strategy map for local convenience store management teams



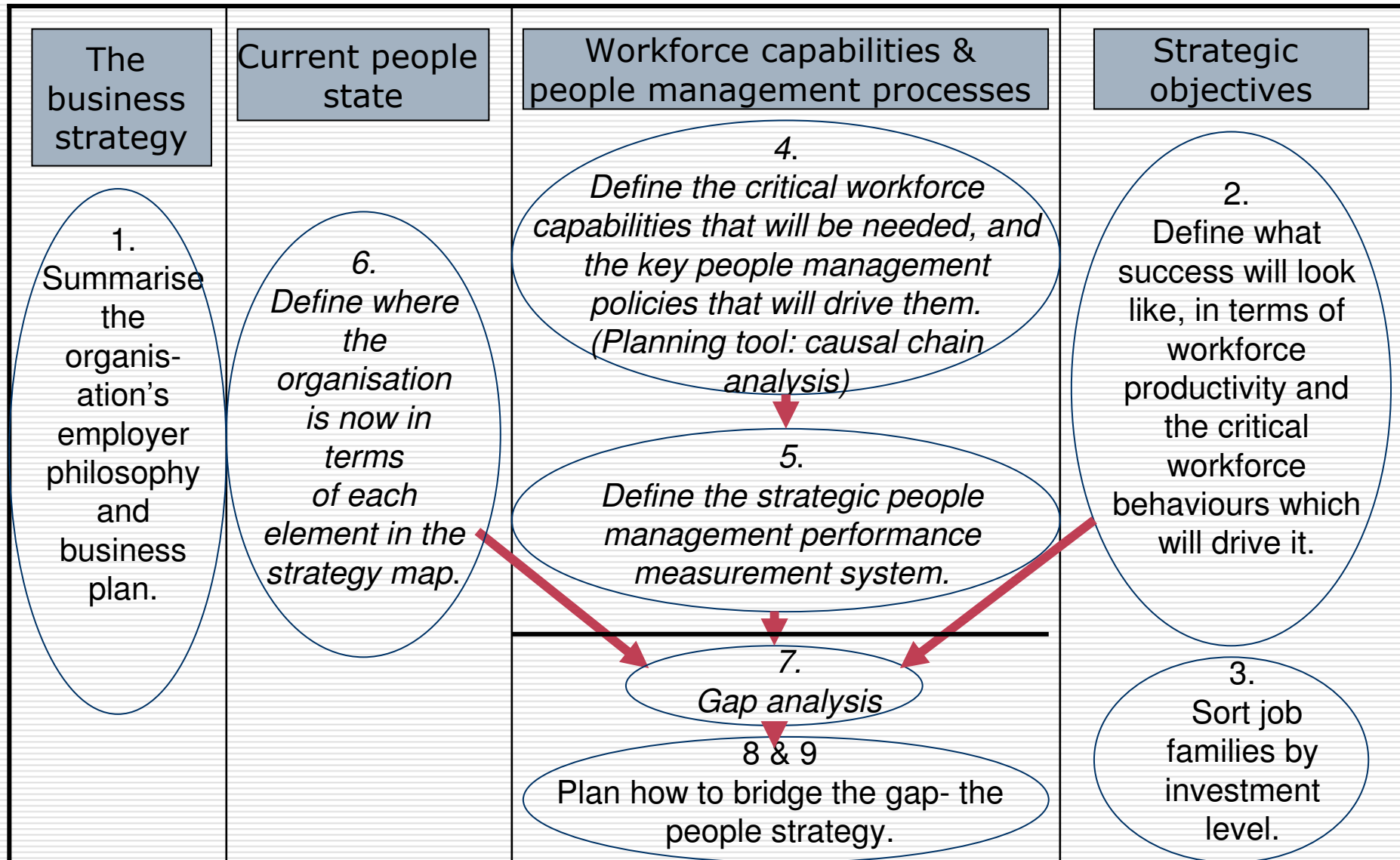
# Upmarket: the Northern Region's strategy for its convenience store manager workforce

**Target:** grow from 30 staff to 300 by 2020, with 92% of posts occupied by staff who have achieved target competency.

## **Initiatives:**

- Measure achievement of targets in each element of the strategy map.
- Run recruitment campaigns.
- Create a new training centre and an accelerated management development scheme.
- Set up a social networking site.
- Strengthen the Regional HR team in talent management, change management and HR metrics.

# Flowchart to illustrate people strategy



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Steps 4 to 7, shown in italics, are undertaken job family by job family.

# Step by step strategy-making lists as a handout

- The business strategy
- The people strategy

# Measuring the people strategy

- Design - the quality and strength of the strategy
- The effectiveness of its communication
- Staff commitment to it
- Strategy execution

# Management report assessing people management strategy

| Factor (targets in brackets)   | Result |
|--|--------|
| <b>Design quality</b>  |        |
| 1. Relevant to the organisation's business strategy.   | ✓      |
| 2. Clear, relevant performance measures and targets.   | ✗      |
| 3. A limited number of achievable people management initiatives.   | ✓      |
| <b>Understanding and commitment to the strategy</b>  |        |
| 4. % managers and staff who understand the strategy (90%).   | ✗ 85%  |
| 5. % managers and staff who understand how their jobs contribute to delivering the strategy and to organisational performance (85%). | ✗ 80%  |
| 6. % managers and staff who are committed to the strategy (85%).   | ✗ 80%  |
| <b>Strategy execution</b>  |        |
| 8. Whether the planned initiatives are meeting their targets (80%).  | ✗ 57%  |
| 9. How well staff think the strategy is being executed (75%).  | ✗ 45%  |

Measures used: assessment by management panel; staff survey and focus group results; plan targets vs actuals.