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Keynote Speaker – Tuesday 16th June, 2009

John Boudreau

Keynote 5: Beyond HR: the new science of human capital

“As you get older we will have more and more discussions”

- Redundancies but overall skill shortage
- Punch line = I'm going to evaluate how well HR is doing their job, based on mindset of leaders
- Improve organizations by improving decisions, decisions of leaders
- Manage money and manage customers – these systems were not designed to look after human capital
- Mental models are limited
- Hold onto talent today, even though there's less value, to hedge bets for future
- Do you sell off oil refineries when oil prices go down? No, so why sell off people?
- How do they think about long term assets and investments – relate this to people
- Net present value calculations (NPV) for employment
- Build leadership capability for down-turn
- We act and downsize, ultimately creating disaffected workforce
- Tell me about the scenarios you have for leadership development? How is LD related to strategy scenarios?
- How much future uncertainty can we meet by building “agility” into the competency set?
- How do we grow and retract at same time and where exactly?
- How does HR get involved in this decision?

- Portfolio theory ▼ Use models they already understand!
- Supply chain
- Production/manufacturing

- The relationship between talent and organization quality, and strategic payoffs
- Use current metaphors ► apply them to people (human capital)

- Hammond, Keith (2005) “Why we hate HR”
- Skinner, Wickman (1981) “Big hat. No cattle” Harvard Business Review

- Do they, the leaders think well about human capital? ► that's the responsibility of HR
- Doing “good work” in HR is not going to make the paradigm change
- Finance ► Marketing ► Info Tech ► HR Example of these functions become important.. HR needs to do so also
- Mental models that leaders bring to HR are not the same as those applied to other functions

- Crowd sourcing – network boned model
- Send us your advertising design
- More people consulting than you can afford to employ
- Eg. design the logo – win a prize

- What is the working model of employing motivation? Engagement ◀
- What is the working model for operating cash flow? ◀ differences



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Conference Notes

- Need to hold leaders accountable for how they think about HR
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- Do you make decisions about people.....
- Power of finance and marketing is not that they have better models ► but they are embedded
- How does talent connect to the mission?
- Finance – ROI, EVA, NPV
- Marketing – segments, product, life cycles
- Talent??
- Engineering concept – “tolerance”
- Where would improvements make the biggest difference?
- Your system: are they educating your leaders to think better about talent?
- More important to fix sweepers than Mickeys (Disney)

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