

Creating Human-Capital Teams

By Woodrow Gimbel and George J. Pfeiffer

Within the context of human-capital teams, worksite

health promotion initiatives are not health promotion per se, but *work promotion* activities that protect, support, and enhance *human capital*. In turn, the concept of work promotion is not exclusive to health promotion. It includes any function that provides employee-support services. Common functions include human resources, benefits, employee assistance, training and development, corporate communications, and work-life initiatives.

Though these functions have many common threads philosophically and programmatically, they frequently have limited interaction. This is regrettable because the organization doesn't capitalize on the *gestalt* of group collaboration when faced with the challenges of not only managing the costs of supporting human capital, but more importantly, increasing the value of its human capital.

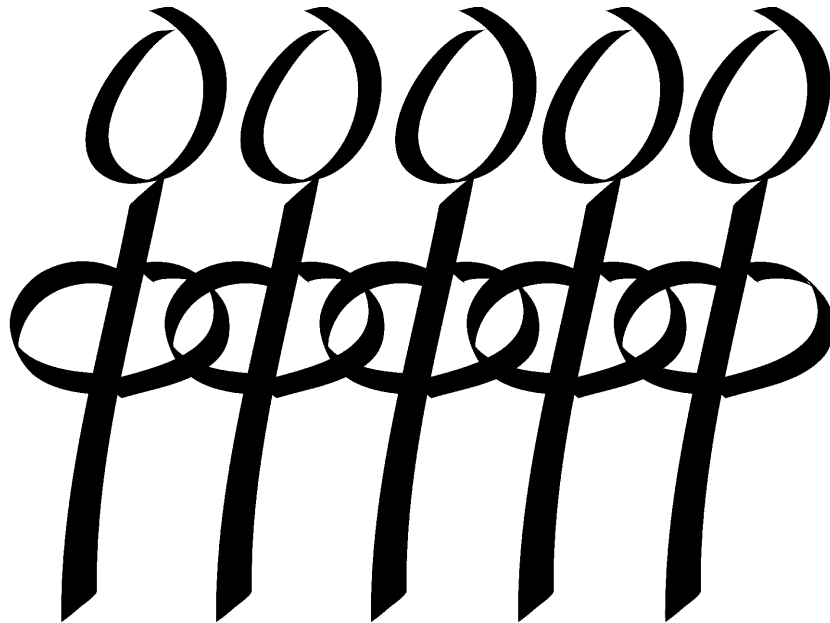
Therefore, an organization can benefit by creating *human-capital teams*.

What is a Human-Capital Team?

A human-capital team is a cross-functional work group dedicated to providing employee-support services through selected programs and policies that are either mandated by law and/or are part of the organization's benefit initiatives.

The HCT is comprised of the administrators of specific employee-related benefits and support services, such as human resources, employee benefits, employee assistance, training and development, corporate communications, and work-life initiatives.

HCT members can be represented by third-party vendors such as managed-care organizations, insurance carriers, employee-assistance contractors, and health-and-fitness program associates who provide selected employee-support services.



The HCT can be created for a limited time—such as a special task force that addresses a specific problem, for example, an exponential increase in workers' compensation claims due to back injuries. Or it can be created as an ongoing team with a strategic-planning function for broader human-capital issues such as developing a three- to five-year plan to address the organization's health-management strategy.

Typically, the HCT is championed by a senior officer of the organization, such as the vice president for human resources, who keeps senior officers informed about issues and the status of current and/or planned initiatives.

Finally, the HCT process needs to have a facilitator who can assist members through the problem-solving and planning process. In some cases, this may be an outside consultant who is hired to expedite the process.

With time and experience, the HCT should be able to become a self-managing entity.

HCT Goals

The HCT's purpose is to provide quality services that impact profitability and employability. These services can be placed under three general categories whose functions are to protect, support, or enhance the capabilities of indi-

viduals and work teams. The primary benefits of these initiatives include greater individual and group productivity, reduced health and occupational risks, and a healthier work environment. To this end, the HCT needs to focus on three key goals:

1. Linking or integrating employee-support services for the protection, support, and enhancement of the organization's human capital while aligning these with the organization's values, vision, mission, business goals, and objectives;
2. Measuring and relating how selected employee-support services contribute to the organization's primary mission and business objectives; and
3. Coordinating employee-support services to provide the optimum return on investment as measured by impact on organizational goals and objectives.

'Integrative' Thinking

By thinking and acting cross-functionally, HCT members first share employee-support issues from their respective fields of expertise. Next, through the group problem-solving process, the respective strengths of participating members are blended into an integrated approach to the problems at hand. This offers several operational advantages, including:

- Aligning initiatives with the mission and goals of the business;
- Employing a systems approach to human-resource management;
- Incorporating best practices into planning;
- Shortening planning, development, and implementation cycles;
- Reducing redundant services and related resources;
- Pooling resources on common initiatives; and
- Providing the opportunity for developing standard outcome measures and procedures.

Based on the above operational advantages, the following outcomes have a greater chance of becoming realized:

- A healthier and more satisfied work force;
- Minimized risks and related costs to the business;
- Improved business outcomes, such as productivity, profitability, and quality;
- Increased value of an organization's human capital, for example, retaining key employees; and
- Enhanced competitive advantage.

What Makes an HCT

High-Performance Organization Alignment

In a successful HCT, team members and the team as a whole need to possess common values and skills that establish a platform for high performance. Below is a list of these.

- *Shared organizational vision and values:* Team members will have a clear understanding of their organization's vision and values and how their programs bring value to the organization and its employees.
- *Systems perspective:* HCT members have a big-picture understanding of the organization.
- *Consultative and participative management practices:* Managers seek information from employees and key stakeholders as part of the problem-solving process.
- *Customer focus:* The HCT maintains a strong customer focus.
- *Workload management:* The HCT must evaluate and interpret how work is distributed within functional areas, the volume of workload within each area, and how workload is managed during periods of high and low demand.
- *Resource management:* HCT members must be knowledgeable about availability of organizational and third-party resources necessary to fulfill project expectations.

Factors for Success

In addition to high-performance organization alignment, it is to the HCT's advantage to have members who possess a combination of skills. Individual

members need not be strong in all areas, but the overall team profile should have a balance of skills to improve overall effectiveness.

■ *Control and results orientation:* Control is the tendency to take charge, be assertive, or take control of a situation. A results orientation means that HCT members place a strong value on achieving results by having clearly defined goals and objectives that are time sensitive and measurable.

■ *Sociability, emotional openness, and teamwork:* Sociability is the tendency to be outgoing and people-oriented. Emotional openness is the tendency to show emotions

**Based on matrixing,
HCT members see
synergies and
redundancies.**

and express feelings. Teamwork is a preference to be part of the team and work with others to fulfill organizational goals, rather than working in competition (against the organization) to achieve individual goals.

- *Precision, quality orientation, and analytic ability:* A concern for accuracy, high-quality work, and the ability to identify and evaluate problems using the right assessment tools.
- *Team ambition and positive expectancy:* Team ambition is the tendency to champion the HCT's purpose to serve the organization, have a strong desire to win for the organization, and be assertive and energetic. Positive expectancy is the tendency to have a positive outlook on people and outcomes.
- *Strategic vision:* HCT members need the ability and the license to look beyond their respective functions and objectively assess how their initiatives support the organi-

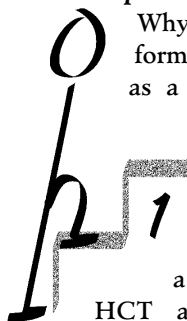
zation's short-term and long-term business objectives.

- **Patience with the process:** Team members must have patience with the planning process and with fellow team members. Lack of patience can force teams to cut corners and miss important information and/or opportunities. Also, lack of patience can create interpersonal tension that can undermine team efforts.

Creating a Successful HCT

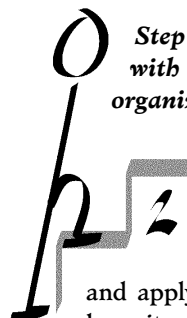
Follow these steps to create a successful HCT.

Step 1. Define the operational purpose of the HCT.



Why is the HCT being formed? Is its purpose to act as a special task force that addresses a specific problem such as chronic-disease management, employee recruiting, or a high injury rate? Is the HCT a standing committee whose purpose is to act more strategically? Or is it both—a standing committee with *ad hoc* SWAT teams that address single issues cross-functionally?

Step 2. Reacquaint yourself with the business of the organization.



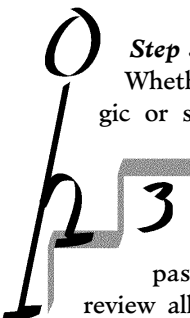
Regardless of its purpose, the HCT should begin with a broader view of the business environment and apply the same questions to how its function fits within the organization. Important questions to address include:

- Why does our business (function) exist?
- What is the nature of our business? What do we do? What value do we provide to our customers?
- Who are our customers (internal and external)?
- What are our organization's (func-

tion's) core values, vision, mission, and key business initiatives?

- How does our function help our organization?
- What human-capital factors pose a risk to the organization? Escalating health-care costs? Increased workers' compensation claims? Turnover, absenteeism, recruitment? What are their associated costs?

Step 3. Audit initiatives.

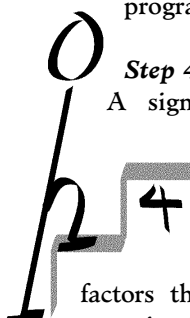


Whether the HCT is strategic or short-term, it's important for HCT members to conduct an audit of current, planned, and past initiatives. This review allows the manager and HCT members data to see what each function is currently doing programmatically and from a policy perspective. It's also important to review initiatives over the past one to three years to see why they were discontinued.

These audits should examine:

- Program description;
- Manager in charge;
- Age of initiative;
- Target audience;
- Participation rates;
- Primary program objectives;
- Primary deliverables;
- Program resources and budget;
- Outcomes;
- Reason for termination (if applicable); and
 - Reason for continuing current programs.

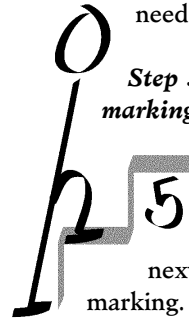
Step 4. Identify problems.



A significant and ongoing responsibility of the HCT is the execution of a standard problem-solving process that identifies factors that pose risks to the organization's competitive advantage. Based on this process, HCT members develop a consensus on what the key problems are that

need to be addressed.

Step 5. Internal benchmarking.



Once the HCT has identified and assigned priority to specific issues, the next step is internal benchmarking. This allows the HCT to develop an understanding of all major initiatives by function and to begin to see synergies, disconnects, and redundancies. The HCT can then analyze whether current and planned initiatives address the key problems identified in Step 4.

In many cases, new initiatives aren't needed. Rather, the HCT may encourage operating functions to work more closely together by pooling resources and modifying existing initiatives. Also, internal benchmarking can be used by the HCT and senior management as a recognition process for rewarding functions that are first in class.

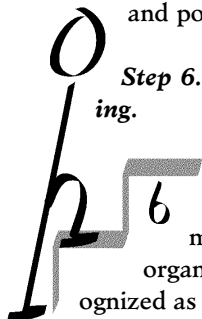
Please note: If the HCT is not addressing a specific issue and in fact is just being created, then internal benchmarking is still critical. This exercise allows HCT members to get an understanding of the scope and depth of services provided.

In conducting an internal benchmarking process, HCT members use information from program audits to contribute to the matrixing exercise outlined below. Based on this exercise, HCT participants begin to see synergies, disconnects, redundant programs, and potential program gaps. Also, HCT members are able to benchmark their initiatives against those of other functions and identify best practices that can be assimilated by other team members.

Macro matrixing is a beneficial strategic-planning tool that benchmarks all program and policy initiatives on one master board. This allows HCT participants to get a sense of all human-capital initiatives that are currently under way and planned over the

next twelve to eighteen months. One technique is to use a color-coding system that ranks programs.

Micro matrixing is a second-tier exercise that creates a programming board for targeted initiatives such as back injuries. This can provide HCT participants with an idea of program synergies, disconnects, redundancies, and potential program gaps.

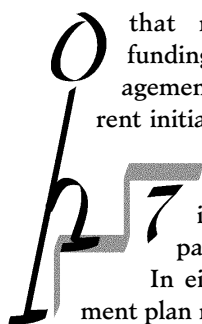


Step 6. External benchmarking.

Depending on the project, the HCT may choose to do benchmarking on outside organizations that are recognized as best in class for particular functions, such as integrated health-data management systems, ergonomics, or return-to-work programs. Based on this information, HCT members can make recommendations that can be incorporated into program planning.

Step 7. A management plan.

Based on the analysis, the HCT may recommend new or expanded initiatives



that need approval and funding from senior management. In other cases, current initiatives may just need a reshuffling of resources and better integration among participating functions.

In either case, a management plan needs to be drafted to address purpose, target problems, goals and objectives, key solutions and initiatives, required resources, accountabilities, implementation plan, and performance measures.

Step 8. Stay on top of things.

Once the management plan has been approved, it's important that the key stakeholders responsible for implementing the plan keep the HCT informed and updated on program

status as well as keeping senior management periodically apprised.

Ongoing Operations

Each organization will need to decide how long the HCT will function. We recommend a sunset clause of no more than two years, with options to renew or reconstitute the team. This will ensure that the team continues to renew its focus by repeating the start-up steps.

The ongoing operational steps of the HCT can be viewed as a repeating cycle. It is important to consider whether the HCT is needed at the end of a planned cycle or if starting a new cycle with new members would be more beneficial. The HCT will resist the tendency to justify programs simply because "that's what we do" or "we believe in them." Programs will be continued, modified, discontinued, or new programs initiated based upon measured performance.

The recommended operating cycle for the strategically oriented human-capital team consists of the following steps:

- Implement periodic planning every

Evaluating the Total Risk Picture

The process of gathering information on an organization's risk picture includes analyzing overall turnover, loss of key employees, benefits utilization, safety records, organizational performance, as well as surveying department heads and employees to gain their perspective on risks. After identifying risks, the HCT can begin to determine the associated costs, such as turnover.

In addition, the HCT can begin to identify and associate specific risk factors with targeted risks. For example, high turnover is a risk—risk factors that are associated with high turnover include overwork, understaffing, stress-inducing supervisory styles, poor job training, and inadequate resources to do the job.

Costly and Undesirable Outcomes

- ✗ High turnover
- ✗ Job burnout
- ✗ Inappropriate use of health-care services
- ✗ High separation and divorce rate
- ✗ Increased job-related injuries
- ✗ Loss of valuable talent to competitors

Practices that Lead to Undesirable Outcomes

- ✗ Poor self-care practices
- ✗ Hiring the wrong person
- ✗ Inadequate job training
- ✗ Overwork
- ✗ Poor safety practices
- ✗ Low degree of employee presence when on the job

one to two years to renew the focus and determine whether the team needs to continue.

- Perform an annual audit of programs to learn whether they meet organizational goals. This is the source of data to justify, modify, or reduce existing work-promotion programs or develop new programs to better address human-capital risks.
- Develop and maintain working relationships among human-capital functions to coordinate their efforts in protecting, supporting, and enhancing employee employability and organizational profitability.
- Develop and maintain working relationships with operational units, viewing them as customers. Use the consultative management style to gather input and data, edu-

cate operating units, and evaluate the perceived benefits of work-promotion programs.

- Continue to identify changing local needs in operational areas and jointly agree to modify or terminate existing programs or develop new work-promotion initiatives to respond to changing needs.
- Regularly monitor program progress based on defined performance measures.
- Continue to sharpen HCT skills for working together and working with other areas of the organization.

Conclusion

Now more than ever, organizations need to manage the costs of doing business while enhancing the value of their human capital. The use of

human-capital teams can be an effective way to address employee-support services through an integrated decision-making and program-delivery process that thinks and acts cross-functionally.

The potential benefits to the organization include reduced risks and associated costs to the business, reducing employee turnover and absenteeism, enhanced recruitment efforts, improved productivity, more efficient program delivery, and enhancing the competitive advantage of the organization.

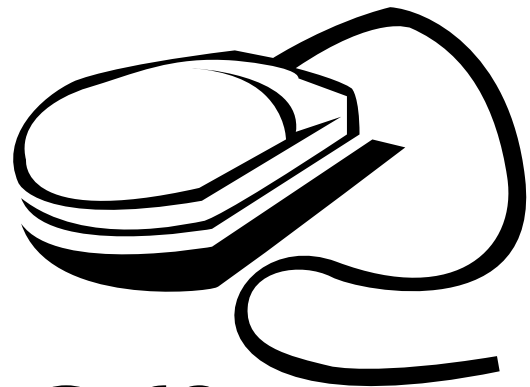


Woodrow Gimbel is president of Gimbel and Associates, an organizational development consulting company in Charlottesville, Virginia. George Pfeiffer is co-senior editor of Worksite Health and president of The WorkCare

Check out the AWHP Web site at www.awhp.org

and discover the best Web site in worksite health promotion!

- Action! AWHP's online member newsletter
- Links to quality sites in worksite health promotion
- Guidelines and applications for AWHP awards program
- Career development information
- And much, much more!



www.awhp.org