



The Association of European Businesses

How new technologies in assessment and development drive companies' business results.

Quality Information | Effective Lobbying | Valuable Networking

December 10, 2012

AEB Conference center

www.aebrus.ru

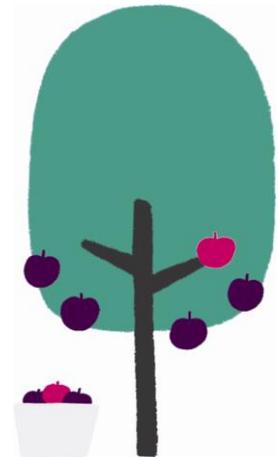
- *Open event*

Moderated by:

Tatiana Khvatinina,
ATD Subcommittee Chairman
Managing Director
SHL Russia & CIS

HR must cope with everyday questions, such as ...

- How do I quickly and objectively hire better people?
- How do I maximize productivity?
- How can we raise awareness and reduce failures?
- What people should be developed and promoted and who should we let go?



And the more difficult strategic questions ...

"Is my employer image competitive and appealing for the right candidates?"

"Which recruitment channels deliver the best talent?"

"When do I lose the most qualified candidates? Before or after our offer? "

"Are the graduates that I hire future leaders of my company?"

"Do I have the right talent in house to the strategic direction of the organization to change?"

"Are any of my teams in jeopardy?"

Q. To what extent do you anticipate changes to any of the following areas of your company?



“Talent is now at the top of the CEO Agenda with 83% of CEO’s anticipating making changes to their talent management strategy in 2011”

PWC, Annual CEO Survey, Feb 2011

“75% of companies do not have access to the **talent data** they need to make informed **business decisions**”

“75% of companies have visibility into their defined business goals but only 21% know if they have the skills to execute it”

– *Taleo, Talent Intelligence Report , March 2011*

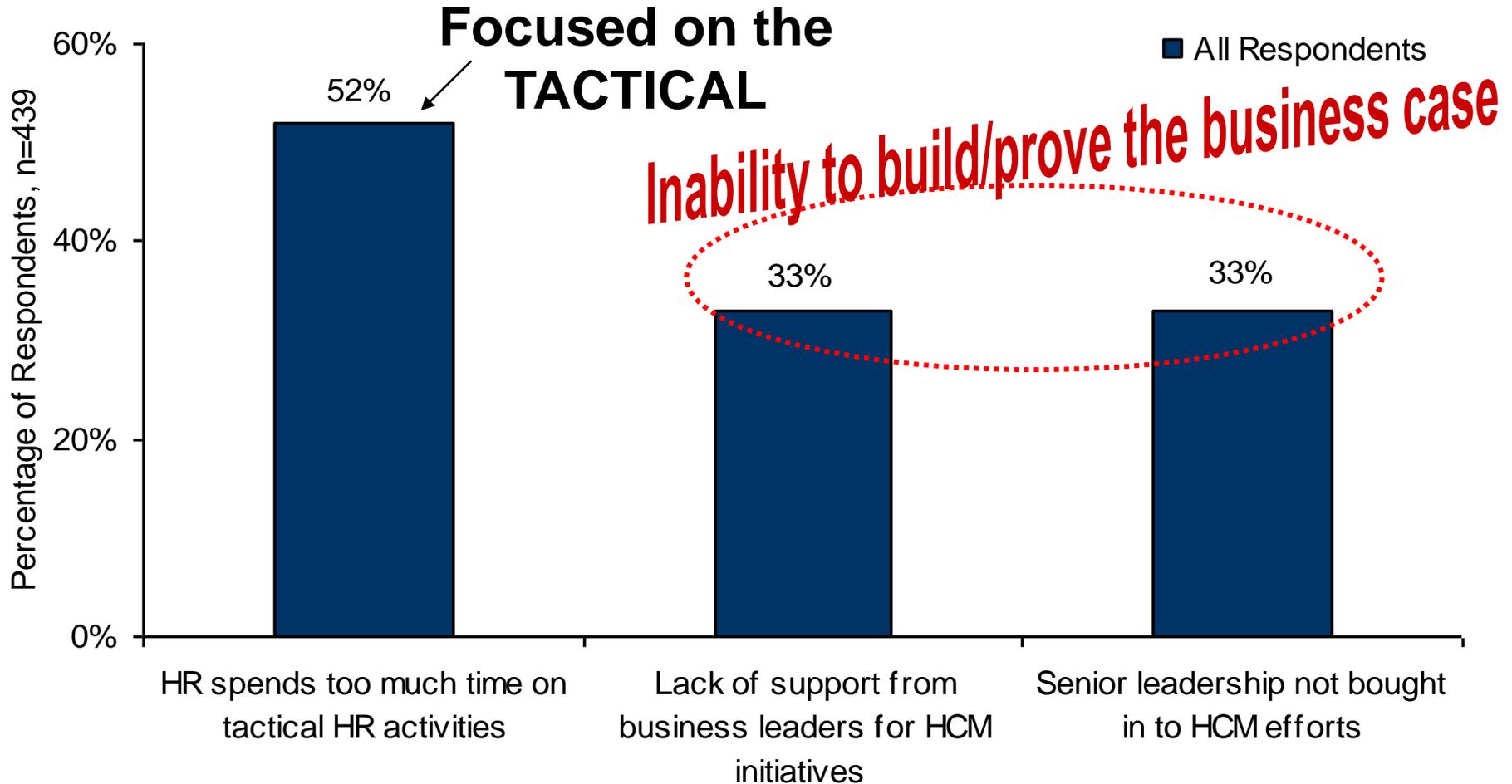


HR requires more business strategic and bottom-line solutions

	Yes
My organisation views HR as a strategic function	74%
My organisation considers people decisions (hiring, promotion) in the context of business objectives	83%
My organisation uses information about talent to make business decisions	48%
Our organisation's competency model is being used effectively as part of our overall employee lifecycle (from hiring to development to promotion)	43%
Our competency model serves as the basis for our job descriptions and required qualifications	57%
We base all assessment programmes for selection, promotion and/or development on our competency model	48%
In general, my organisation is focusing more on developing talent internally than on hiring externally	53%
We are currently recruiting for more open positions organisation-wide as compared to last year	39%
We expect it will become increasingly challenging to recruit and hire talented individuals for key positions in the coming year	64%

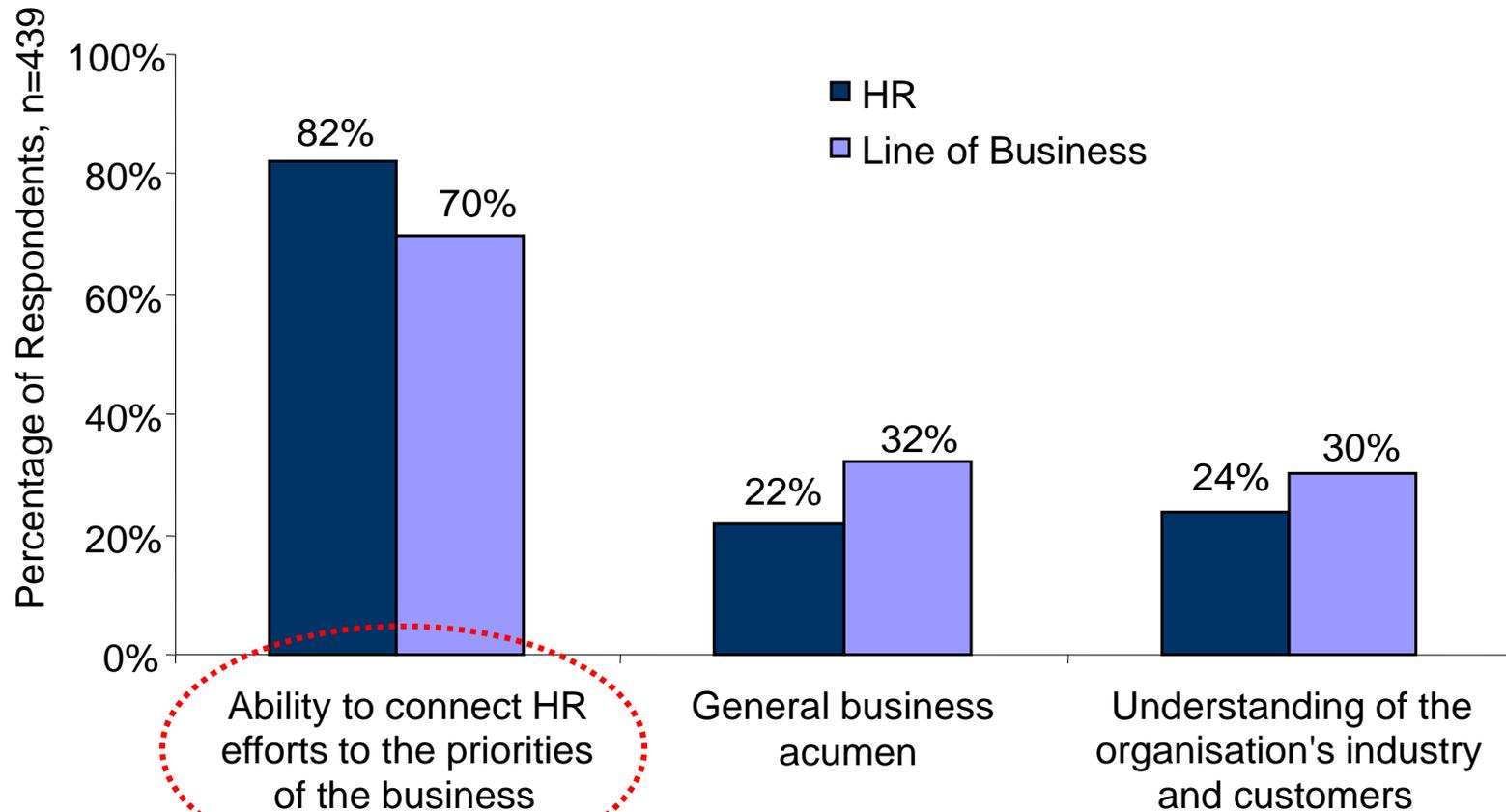
- 80% of respondents indicated that their organization decisions about talent links to the business objectives
- Less than half indicated to use this information to control decisions that the organization takes

Biggest obstacles for strategic impact of HR



Source: Aberdeen Group, 2011 HR Executive's Agenda

Crucial skills of an HR leader



Source: Aberdeen Group, 2011 HR Executive's Agenda

SHL collects three tiers of data on how organisations benefit from People Intelligence:

- **Business outcome** – quantitative validated benefit on key business metrics, as documented in this report.
- **Business impact** – quantitative ‘before and after’ comparison of business metrics
- **Business satisfaction** – review of qualitative feedback from customer



Sample Talent Audit Outcomes



- **Retention of high-potential managers has improved** by 18% in the 12 months since the intervention saving approx \$250,000 in external recruitment costs.
- The analysis of results across the group enabled T&D **spend to be more focused on areas of greatest need** and potential return
- 61% of managers and 60% of HR Business Partners indicated that they feel **much better equipped** to make promotion and succession planning decisions over the next few years.
- 66% of participants reported that the assessment experience and feedback will **help them to improve their leadership skills**.
- The individual assessment results enabled the organization to **identify high-potential talent** in a much more consistent and objective manner.

** Actual outcomes from Hertz Talent Audit*

Managers identified as ‘Talented’ through Talent Audit:

- Achieved sales at 140% higher rate while promoting 59% higher employee engagement
- Provided 15% more sales and add £1.18 million to the bottom line in only six months
- Led stores that were three times as likely to be identified as “top performers”
- Drove £37 million more in sales for one retail organisation



Background

Marks & Spencer is a household name in the UK, and is one of the best-loved retail brands in the country. It has over 300 stores in the UK, plus 150 stores internationally.

Challenge

Marks & Spencer store managers found their recruitment process was too expensive and inefficient, they wanted to improve the calibre of people, in order to gain competitive advantage.

Solution

SHL worked with Marks & Spencer to develop its own unique Talent Screener, a series of job relevant, scenarios-based and attitudinal questions that could measure the innate talents that the company, along with SHL, had identified as critical for success in the role.

Results

- 33% increase in applicants screened out early in the process
- 45% increase in success rate at interview
- 18% reduction in applicants failing to attend interview
- 61% reduction in cost per applicant contracted
- So far this has saved Marks & Spencer over £1.5 million in recruitment costs.
- 75% of line managers rated the performance of employees selected using the new process as 'Better'
- 76% of those that scored highly in the initial screening went on to be rated as 'exceeding' or 'outstanding' in their first six-month appraisal.

YOUR M&S

A measurable return

The Association of European Businesses



33% increase in applicants screened out early in the process resulting in the need to interview fewer candidates [from 6-12] (M&S)

The interview-to-hire cycle was **reduced** from **several days** to 24 hours (Neiman Marcus's HRIS system)

Saved 25 hours a week of HR admin time (Platform home loans)



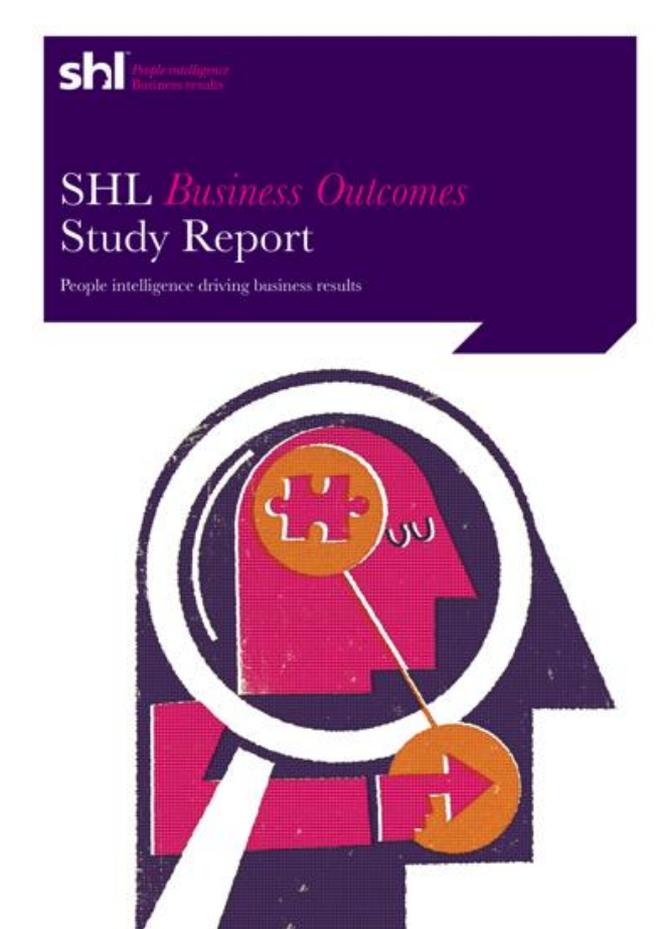
line managers are only having to interview an **average of six candidates** as opposed to 20, in order to reach the most suitable Volume hires. (Xerox)

a **61% reduction** in cost per applicant contracted - £53.10 x 30k recruits = **£1.6M saving** (M&S)

The successful candidate strike rate **increased** by 20% (Milward Brown – Verify)

The integration of the online ability assessments significantly **reduced** the selection process time by up to 89%. (Dickinson Dees)

Over 200 business outcome studies in 6 years



The top 30% of employees on the DSI are almost **twice as likely** to receive a rating of 4 or 5 from the Interview.

Sales people with average and high CCSQ Sales Potential scores achieved **39 more car orders a year**.

Account Managers who performed well on the OPQ Sales Report scales were up to **six times** more likely to be rated as high performing.

Those in the top quartile Delivering Results & Meeting and Following Instructions and Procedures were **FIVE TIMES** more likely to deliver accurate management information.

Those recruited through the new hiring process are 10% less likely to take unscheduled leave, resulting in an **annual cost saving of \$1.07 million**.

Number of non-starters has decreased by 36%, which equates to an **annual cost saving of \$1.23 million**

Percentage of employees terminated within their first year has decreased by 40%, leading to an **annual cost saving of \$986,000**

Employees with an Overall PJM score in the top 25% are nearly **5 times** more likely to receive a high Performance Appraisal score.

Higher Scoring Consumer Sales Representatives are:

- Twice as likely to achieve top scores on Overall Value.
- Almost twice as likely to achieve top scores on Inbound Conversion.
- Much more likely to achieve top scores on revenue per hour, average handle time, and compliance.
- More likely to stay in the role after first 30 days.

Mobilizing internal leadership to drive Rosatom globalization

Irina Zarina

Head of consulting SHL Russia & CIS

Larisa Strutskaya

HR Director, Rusatom Overseas ZAO



ROSATOM

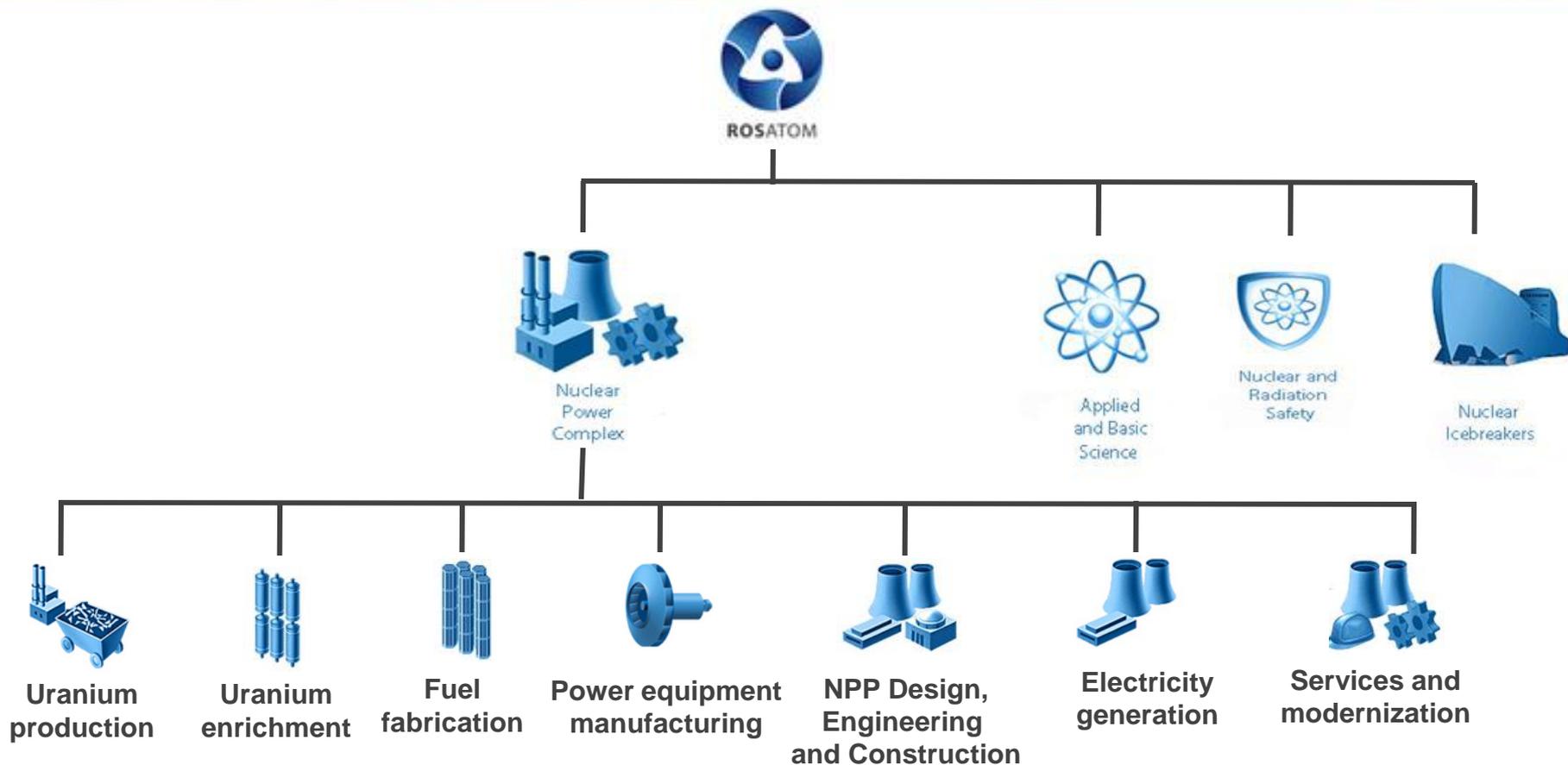
STATE ATOMIC ENERGY CORPORATION "ROSATOM"

State Corporation Rosatom Approach to Global Talent Development

*Larissa Strutskaya, PhD
HR Director, Rosatom Overseas*

December 10, 2012

Fully Integrated Nuclear Technology Company



ROSATOM: new challenges

Strategy-related HR challenges:

- Provide global infrastructure for expanding Rosatom business abroad
- Provide a pipeline of talent to lead new strategic initiatives
- Increase engagement of human resources to maximize organizational performance keeping safety as a key value
- Develop technical and leadership competencies of Rosatom workforce to provide safety and growth

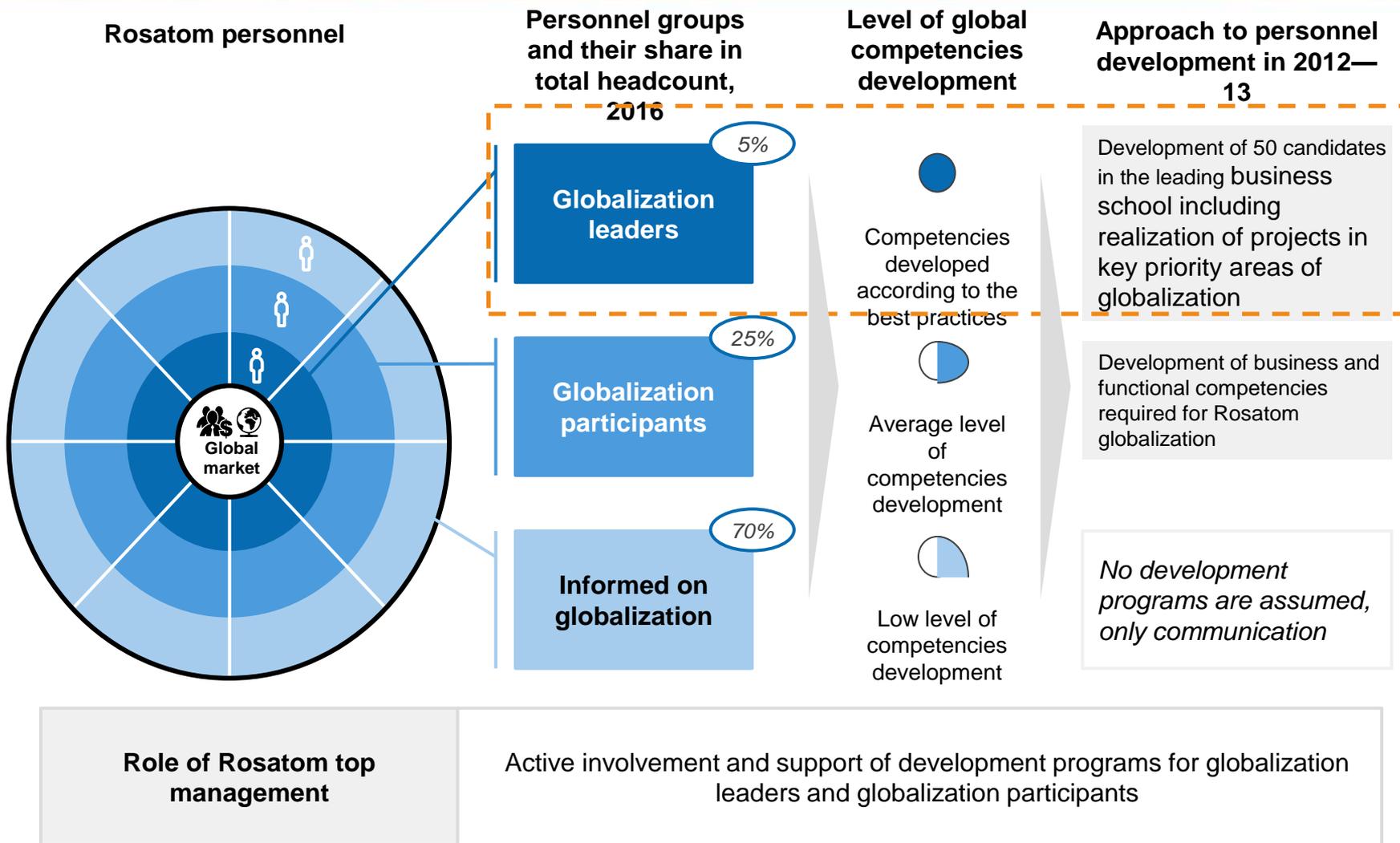


To meet those new challenges:

- 50 high potential English speaking managers were selected and are trained to become global leaders
- Key professional/technical competencies have been identified and described; 160 professionals have been selected to be trained to become global experts
- Performance management, succession planning and leadership development programs are being implemented
- Engagement of staff has been measured in 45 biggest companies of Rosatom group for two subsequent years; there is some progress but still key issues need to be addressed
- The HR management expertise we apply in Russia can be applied as part of our integrated solution to our customers and partners



In order to achieve globalization targets Rosatom plans to develop its personnel, especially globalization leaders



Rosatom launched an International Talent Development Program in 2012

I. Information

Promotion Campaign

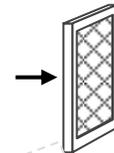
Self-nomination

Received around 600 applications

II. Evaluation Selection

47 participants:
Strategy, Finance, Marketing,
Engineers, HR, PR, Logistics,
Supply Chain

Rosatom Personnel



Selection criteria

- Leadership competencies
- Career and development motivated
- Fluent English
- Experienced in international projects
- Industrial experience
- Managerial experience

Global Professionals

150—160 finalists

III. Development Program

Development Program Implemented jointly with the Leading School

Professors from the Leading Business Schools of the World
3-5 key projects selected and developed during the Program
Development visits to partnership companies

Corporate Academy

Trainings and Master Classes
On 6 key professional areas

IV. Integration



Global Leaders

3—5 projects implemented during the Program



Regular Alumni events



Global Leaders Workshop



Global Professionals

Management's role

Providing References

Providing Support and motivation

Projects Sponsorship

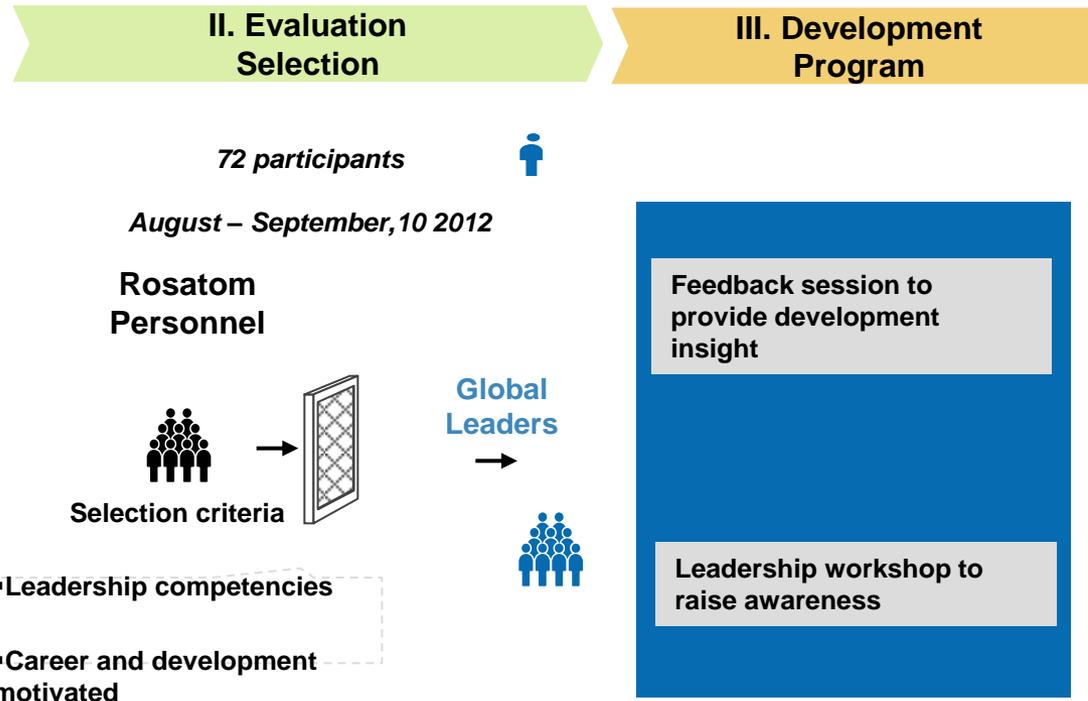
Nominations

Identifying talent

- **At an operational level (a company):**
 - Performance results (competencies and KPI)
 - Management feedback
 - Competency-based application to leadership development programme
 - Aptitude testing
 - Mobility
- **At the divisional and headquarters' levels**
 - Performance results (competencies and KPI)
 - Project leadership results
 - Aptitude testing
 - Assessment centre results



SHL Part in an International Talent Development Program in 2012



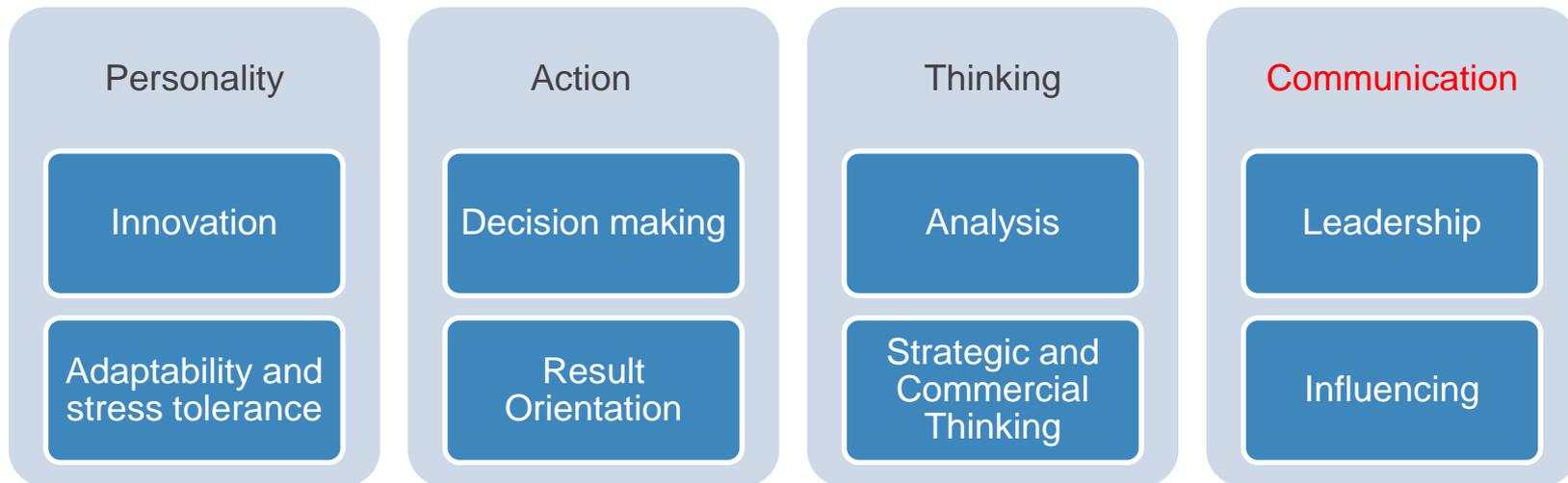
Leadership Competencies Framework

Framework to define:

- Potential to lead
- Ability to drive change
- Agility
- Sensitivity to differences



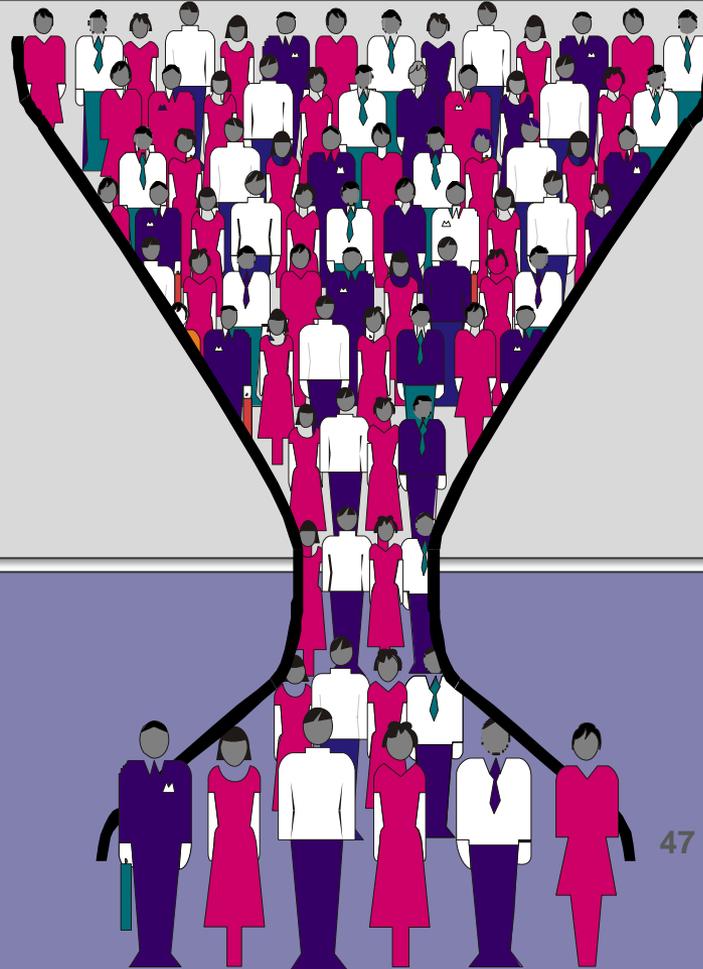
To meet future business needs



Sift out and Select in! Selection Process

On-line (SHL on Demand)

- Ability tests (**Verify**) verbal and numerical computation skills
- Questionnaires (OPQ) and Motivational (MQ)



Sift out!

400 applicants
1 month

- Brainstorm test
- Assessment simulations
- Competency-based and validation Interview

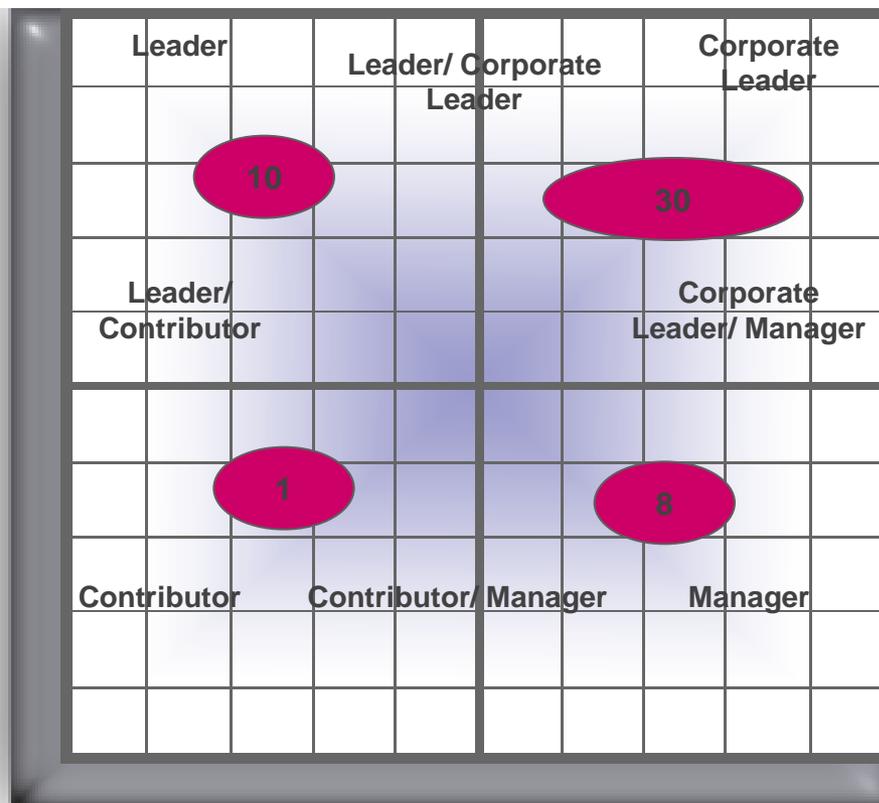
Select in!

72 applicants incl
47 nominees (development programme)

Raising Awareness

- Feedback the same day
- Defining leadership type (inclination to specific leadership behaviour)
- Consolidate and discuss

Transformational Leadership



Transactional Management

Program Structure and Contents = MiniMBA in Moscow School of Management Skolkovo

5 modules
within 8 months

2 international
company visits

3-5 projects
developed

External
and Internal
expertise

Management'
sponsorship

October 2012- November 2013



During the first module of training in October 2012 Rosatom top managers and global experts made their contribution to the program



Maurice SAIAS,

IAE Aix-en-Provence

***“You are fantastic group!
You are the best group I
have met in Russia, I
enjoyed working with
you, you have made my
day. I wish Rosatom
becomes the first
transnational nuclear
company in the world
and if you send me a
message informing me
about that — ‘Hey,
Morris, we have done it!’
— You will make my life!
Thank you very much!”***

Rosatom plans to use nuclear partners' network for cooperation in talent development

❖ **JOINT EFFORTS IN IMPLEMENTING THE PROJECTS: REPUTATION AND GLOBAL HUMAN CAPITAL**

❖ **SITE AND DEVELOPMENT VISITS IN THE 2nd QUARTER OF 2013**

❖ **JOINT SITE AND NETWORK**

❖ **OUT OF THE BOX ACTIVITIES: FOOTBALL, TRAVELLING**



Thank You for Your Attention!

Larissa Strutskaya

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JSC “Rosatom Overseas”

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Values-based mass-recruitment: Developing a High Fidelity Cartoon Situational Judgement Test for Sberbank-Talents.ru.

Alexander Lebedinskiy

Technology Expert, Sberbank

Eugene Lurie

Head of Assessment Technology

Development,

ECOPSY Consulting



SBERBANK

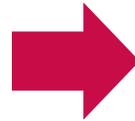
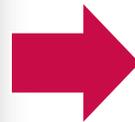
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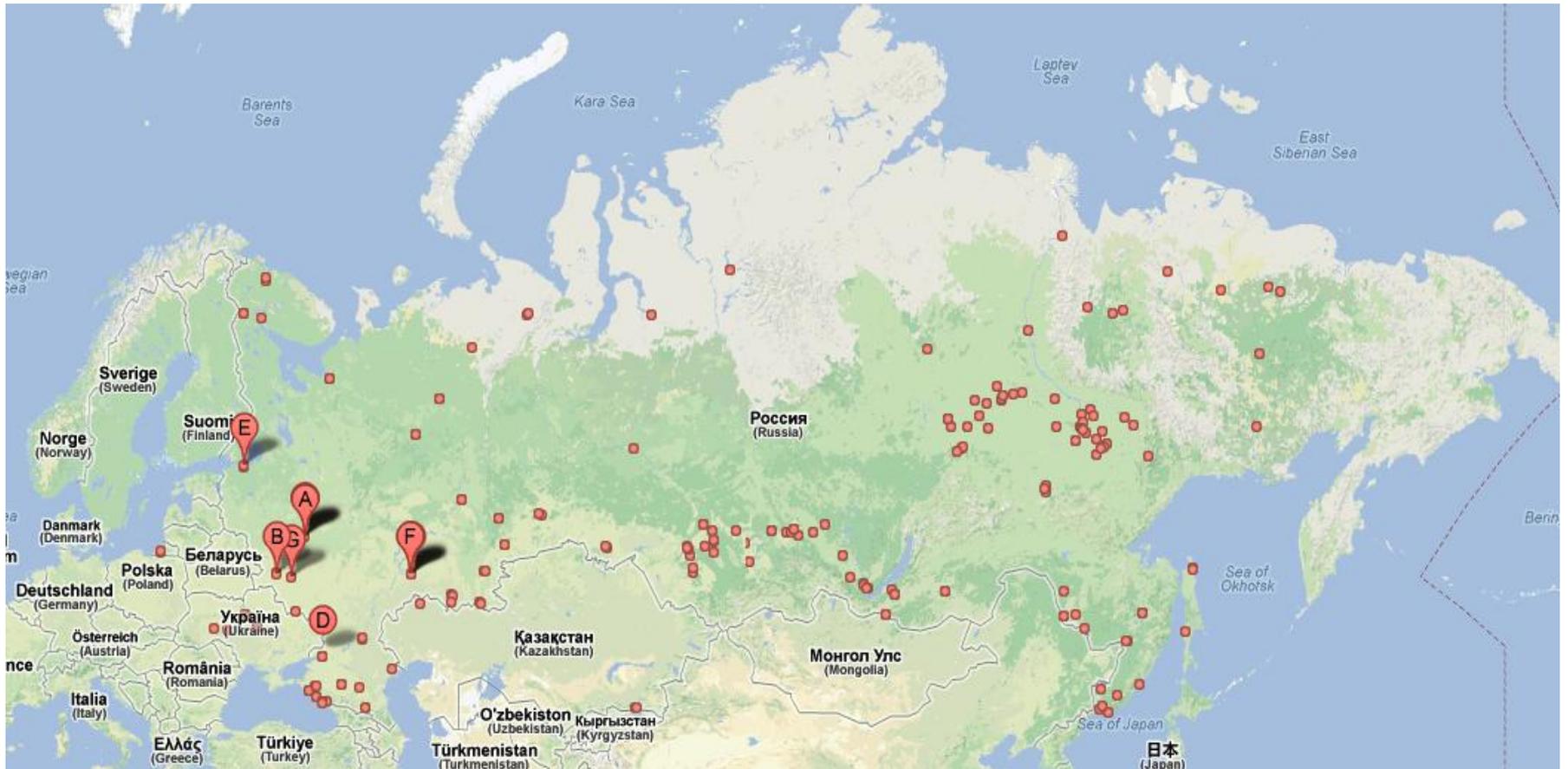
**Values-based mass-
recruitment:** Developing a
High Fidelity Cartoon
Situational Judgment Test for
Sberbank-Talents.ru

Agenda

- ▼ Pre-story: situation & needs
- ▼ Project design
- ▼ Results: implementation & validity study

Pre-story







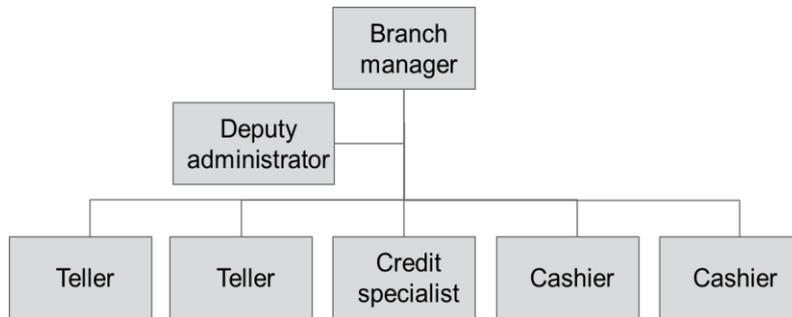
1 Greatest change of the management style & modalities



2 Other reasons (including redundancy and retirement)



Target job positions



Local HQ

Total Staff ≈ **240 000**

18 000 br. ≈ **45%** of the total amount of all Russian branches

New instruments: why do we need them?



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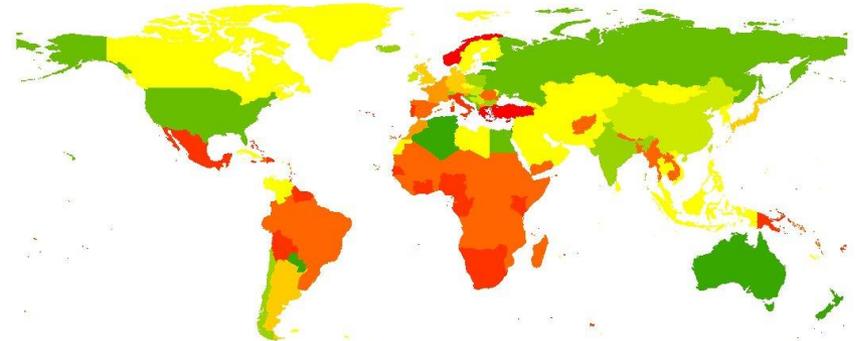


▼ Legacy of 1990s

- ▼ Demographic crisis lowered percentage of hireable people
- ▼ “Brain drain”
- ▼ Low quality of education
- ▼ No international experience

▼ We world is changing

- ▼ High competition
- ▼ Global market
- ▼ New technologies and professional...
- ▼ We have to hire “best of the best”



Solution: Sberbank-Talents.ru



- ✓ up to **5 million** candidates
- ✓ up to **100,000** unique users per day
- ✓ **all vacant positions** of Sberbank in one database
- ✓ business with **total control** over Portal
- ✓ flexible highly adaptable **matrix structure**
- ✓ **new technologies** in recruiting

Stage 1 of implementation
03.2012 – 11.2012



Stage 2 of implementation
11.2012 – 06.2013

Customer Value



SBERBANK
By your side



- Easy registration through social networks account



- Access to all Sberbank's open positions:

- ✓ navigation test
- ✓ unlimited search
- ✓ automatic geo-tagging



- Automatic notification system

- Complete information about career perspectives at Sberbank



- Optimization and automation of business processes:
 - ✓ complete database of Sberbank's positions
 - ✓ single point of entry for candidates from internet
 - ✓ candidates assessment on early stages (with intellectual tests, motivation case-test and games)

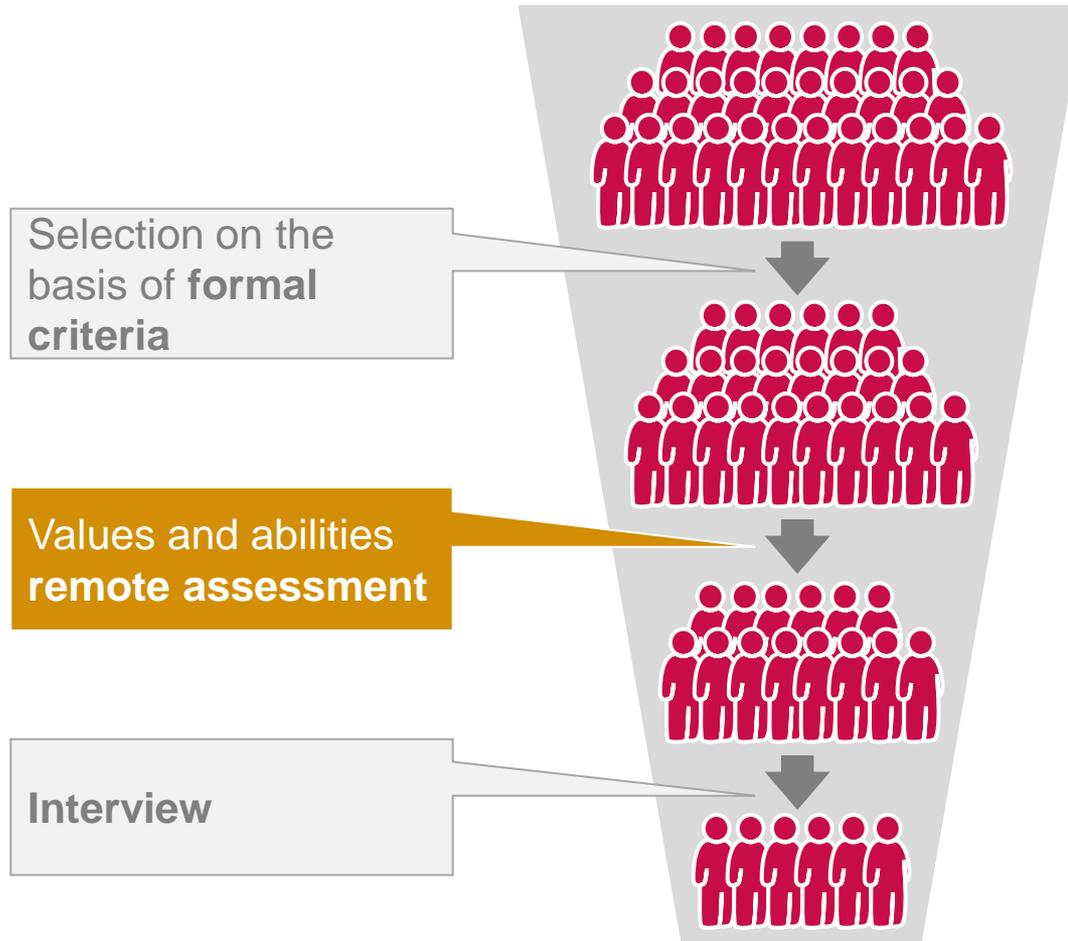
- Crowd-staffing: assessment of candidates activity in social media 

- Engaging target groups through advertisement in top internet recourses 

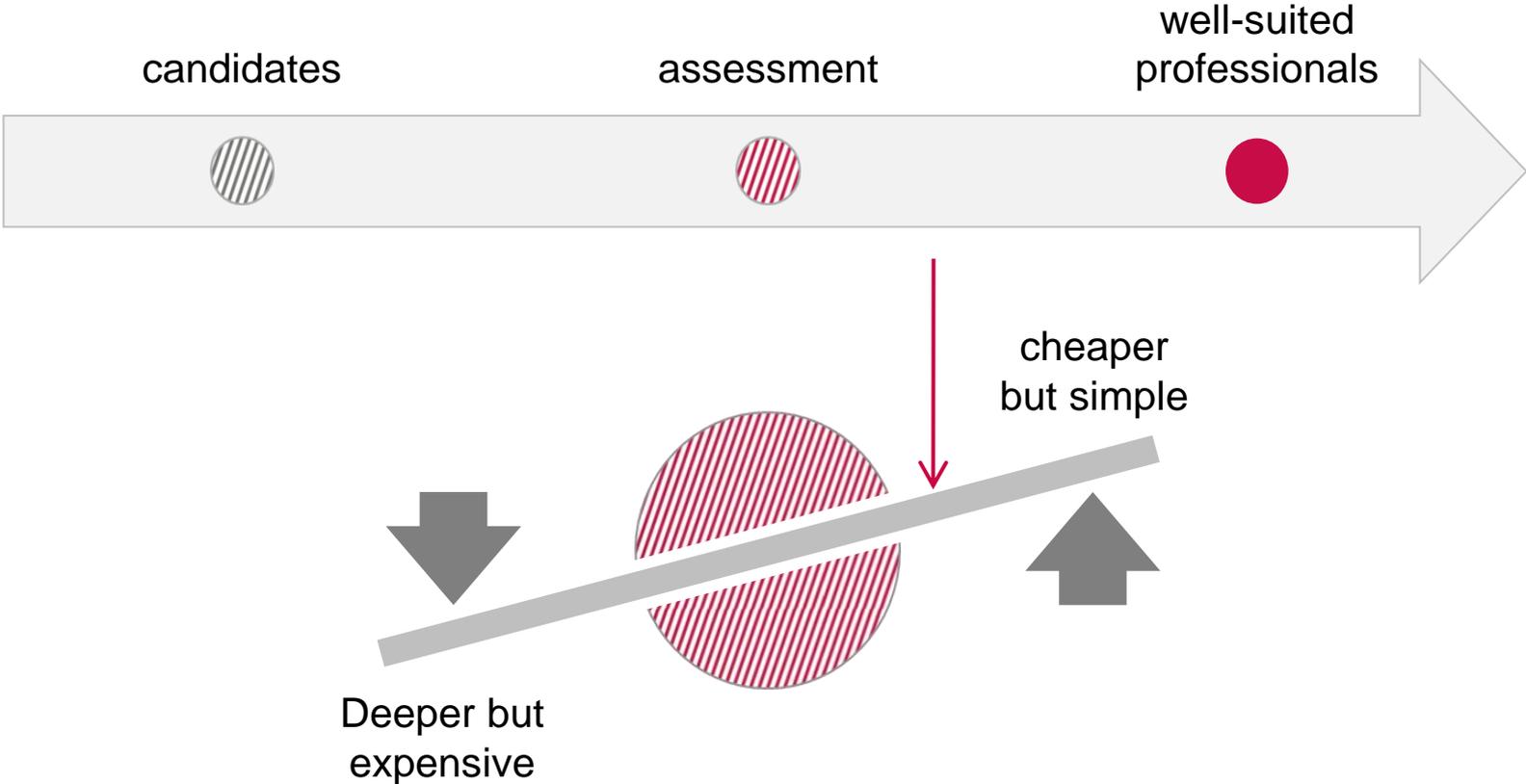
- Employer branding
 - ✓ modern versatile information platform
 - ✓ easy access and user-friendly interface



Multi-stage assessment sift-through



Dilemma



Key Sberbank values

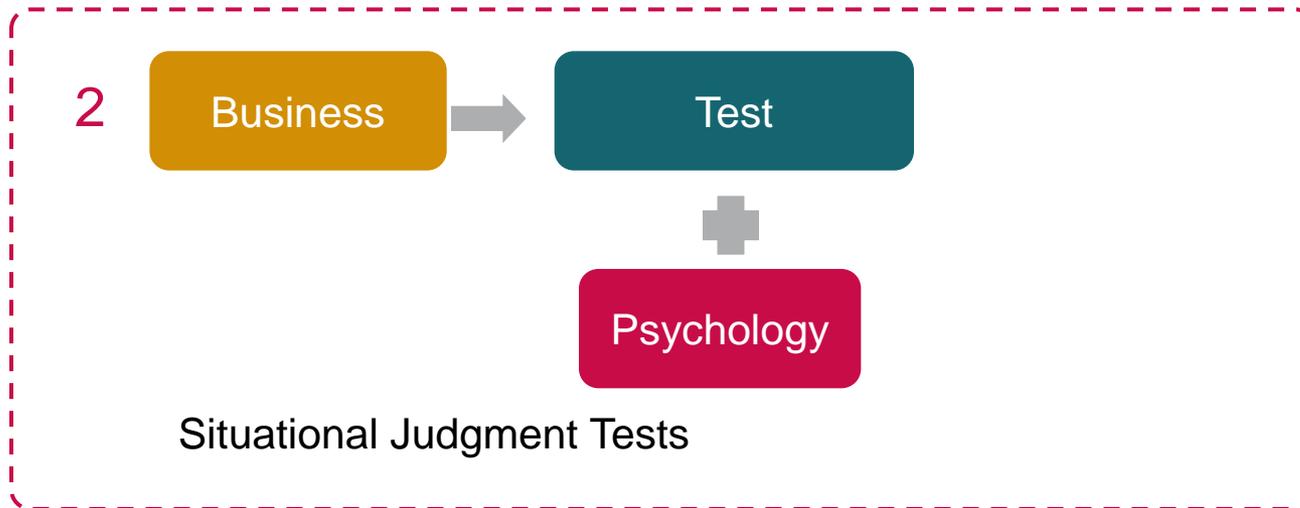
- ▼ Initiative
- ▼ Responsibility
- ▼ Customer orientation



Two different test development approaches



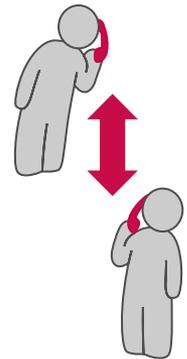
Ability tests, motiv. questionnaires



Situational Judgment Tests

Situational Judgment Tests (SJT)

- ▼ An applicant is presented with a situation and asked what he/she would do
- ▼ SJT items are typically in a multiple choice format: items have a stem and various item responses (options)
- ▼ Different formats: paper & pencil, computer, cartoon & video
- ▼ Fidelity = Extent to which format of stimulus (item stem) and response (options) is consistent with how situation is in a work setting





Вопрос 3

Клиент обратился в Банк с претензией. Три дня назад он положил деньги на кредитную карту, но деньги до сих пор не поступили. Он возмущается и требует, чтобы деньги поступили сегодня же. Ваши действия?

Выберите один вариант ответа:

- Успокою клиента и объясню что, решением проблемы занимается соответствующее подразделение. Ему не стоит волноваться. Деньги в любом случае поступят на счет.
- Успокою и попрошу клиента оставить контакты. Пообещаю связаться с ним как только выясню причину проблемы и срок поступления денег на счет.
- Успокою клиента. Попрошу клиентов в очереди перейти к другому окну. Попытаюсь выяснить подробности инцидента, свяжусь с ответственным за операцию подразделением, и выясню причины возникновения ошибки и сроки ее решения.
- Скажу клиенту, что действительно случаются такие проблемы, но их решением занимается соответствующее подразделение. Дам контакты и порекомендую обратиться напрямую к ним.

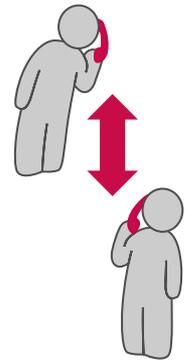
Ответить

Response options

Stem (job related situation)

Why they are so popular?

- ▼ People respond favorably to SJTs because they perceive SJTs to be job-related - high face validity
- ▼ Emerging body research, popularity US & UK
- ▼ SJT have significant criterion-related validity (.56)
- ▼ Have incremental validity over and above cognitive ability & personality tests
- ▼ Broaden competencies (interpersonal) measured
- ▼ Have good acceptance by applicants
- ▼ Large groups



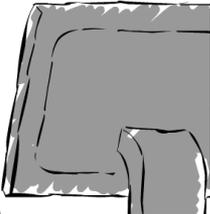


Values Scale

Motivation Scale

Career Guidance
(Analytics, Sales, Support)

General score



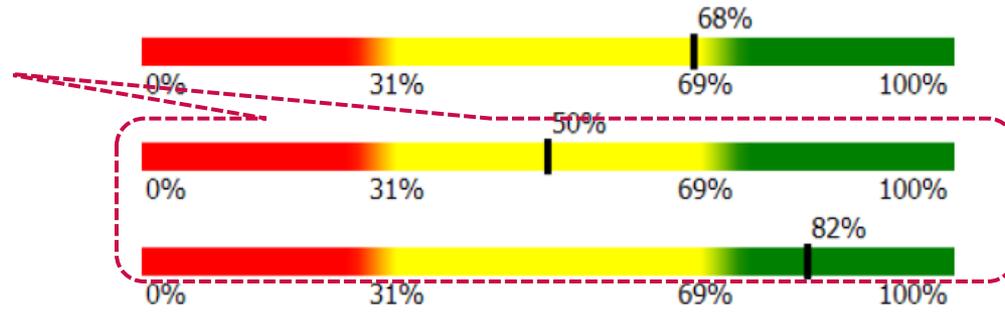
Test Results



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**Total
Score
Values**



Motivation

**Career
Guidance**

Informational Analysis, Sales



Test development



Interviews with management, HR and PR

Result: criteria



Sessions with low level managers

Result: specific content



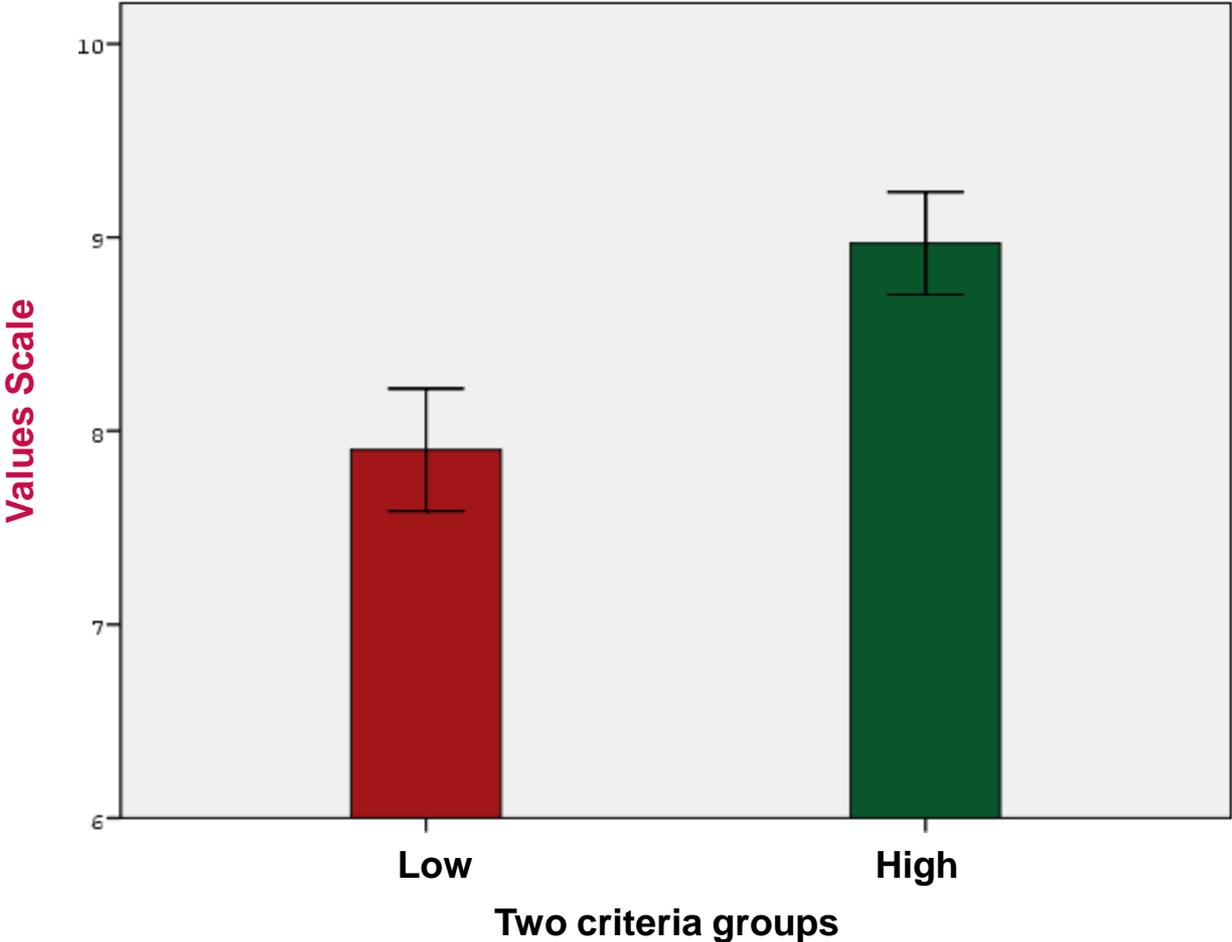
Two validation research stages. N = 581

Result: high-suited instrument

Validity Study



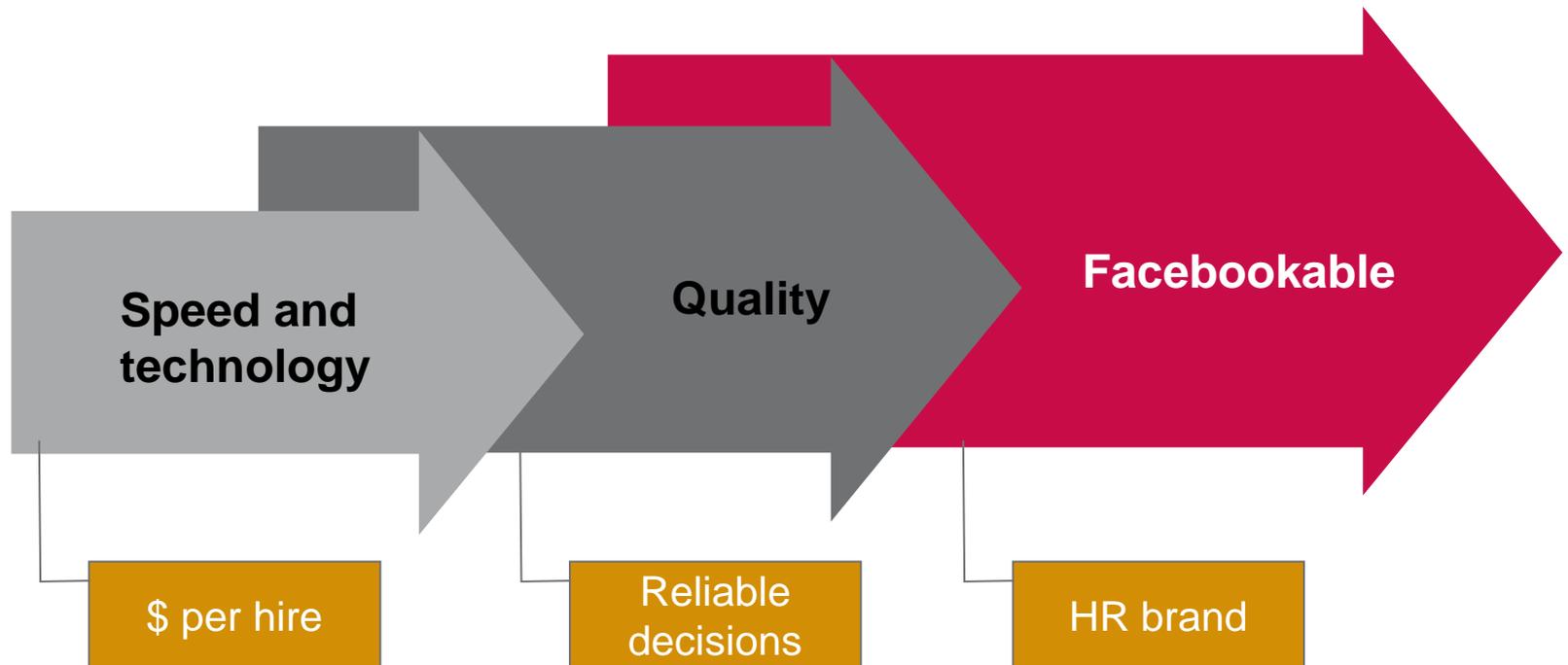
SBERBANK
By your side



N = 581



Assessment in XXI century



Summary

- ▼ **Pre-story:** emerging HR challenges
- ▼ **Solution:** Career Portal & High-Fidelity SJT
- ▼ **Results:**
 - ▼ Implemented
 - ▼ **Benchmarking quality**



Questions?



- *Open event*

Questions & Answers

December 10, 2012



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