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What's A People Strategy?

Mary O'Hara, chief human resource officer and senior vice president of internal communications at Blue Shield of California, thinks it's crucial for organizations to formulate what she calls a "people strategy"—and to use that approach to ultimately fuel overall business strategy.

"It's really important to truly understand what your capability and capacity is at any given point in time both from a risk-assessment and from an assurance of execution point of view. This helps to evaluate at what pace your business strategy can unfold," she says.

For this reason, Blue Shield—which currently serves almost 4.4 million members and nearly 65,000 physicians—integrates business planning with human capital management (HCM) as well as with financial strategy. By deploying a unified cloud solution from a single vendor for both enterprise resource planning (ERP) and HCM software, Blue Shield achieved complete visibility of data from the human capital side and the financial side, avoiding silos as well as any need to integrate data from different sources.

"There is great value in an integrated cloud solution," says Sandra Clarke, Blue Shield's chief financial officer. "Using a high-quality, pure cloud solution improves our ability to focus on the things that matter, the differentiators that drive business strategy and growth."

O'Hara adds: "Every functional business plan starts with a 'strategic architecture' that aims to articulate philosophy first, guiding principles, strategy, goals and initiatives that tie together. We believe strategic architecture is a differentiator for us in taking a holistic view of business strategy."

She shares the four pillars that support Blue Shield's people strategy:

- Enable growth
- Cultivate successful leadership at all levels
- Create opportunity to grow personally, professionally and financially
- Build an employee experience on par with customer experience

Enable Growth

“My colleague who leads market growth strategy is looking for us to help him and his leaders think through how those business growth goals can actually be achieved,” says O’Hara.

“With the right human capital strategy, what does it actually mean for where you might need to acquire certain capabilities? And what are the risks of doing that and the cost of doing so?”

It may be necessary to have a conversation about elevating certain people in your organization—retraining, refocusing and reprioritizing so those staff members are relieved from some tasks and thus have the capacity for new and stronger work.

To ensure that employees have the tools to do their jobs effectively—and to anticipate talent and resource needs—it’s essential to integrate the human capital plan with finance and the business plan. And the merging of those strategies should be carefully and collaboratively considered in order to best drive growth. A standardized cloud solution allows HR and finance employees to collaborate directly through integrated work flows using the latest data. This can enable a comprehensive view of company performance that would be difficult to put together from siloed data, according to Nucleus Research.

“We’ve now got everything in one enterprise system, as opposed to trying to do transitions,” says Clarke. “That always improves your throughput time on enterprise planning and your accuracy. We’re getting quicker data, and we’ll be able to leverage that in a lot of the analysis that we do. For instance, our turnaround on annual compensation planning has significantly improved and we’ve been able to make adjustments more quickly. So the planning we do between the financial implications and the human capital implications is better and quicker.”



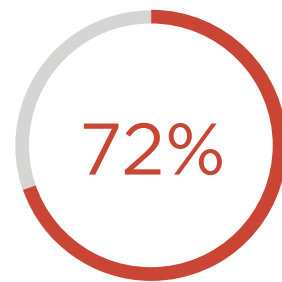
Cultivate Successful Leadership At All Levels

“We will help you be a great leader,” says O’Hara.

She teaches at Blue Shield’s leadership academy, which focuses on equipping leaders at all levels of the organization, from team leaders to line-of-business managers to C-suite executives. One program is Lead to Excellence, aimed at directors and above, with sessions conducted by senior leaders, including the CEO and board members. Others include Manage to Excellence, the Shield Emerging Leader program with rotational assignments, leadership opportunities and stretch assignments through the company’s Employee Resource Groups and the Trailblazers program for customer experience employees.

“Being very deliberate about growing and developing people in the same direction where our business is going is a fundamental strategy,” says O’Hara. “Our goal is to be a great place to work.” This requires an environment where people at all levels take accountability to work on the system, not just in it. “We focus a lot of our attention on equipping our people to be great leaders at all levels,” she says. “Leadership is what makes the greatest difference to establishing an environment where people can grow personally, professionally and financially and where they feel aligned to the mission, doing great work.”

She also believes that people across levels need to be able to connect their jobs to business strategy. “We’re very transparent, and we spend a lot of time developing internal messaging so everyone knows where our business strategy is heading,” says O’Hara. “Our people can relate: How does the larger strategy of the organization connect to my work? And what does that imply about the way I need to grow and develop?”



of leaders identified the ability of people to adapt, reskill, and assume new roles critical to navigating disruption.

2021 Global Human Capital Trends Report, Deloitte

According to the [2021 Deloitte Global Human Capital Trends survey](#), 72% of respondents identified the ability of “people to adapt, reskill, and assume new roles” as one of the most important factors to navigate future disruptions. Business leaders have an opportunity to use digital transformation to thrive in a fast-moving, hyperconnected world, not just for themselves but in collaboration with their partners and customers.

Create Opportunity To Grow Personally, Professionally And Financially

“The talent shortage is a major thrust for us,” says O’Hara, adding that the challenge is compounded by California’s high cost of living and competition from other Silicon Valley employers.

The ability to make an impact at work is important to top talent: many employees are looking to find purpose and meaning in their careers. However, the Deloitte report finds that only 53% of survey respondents believe their companies are effective at actually creating meaningful work.

“We’re a mission-driven organization, and people come to work at the Shield because they have an opportunity to make a real difference,” says O’Hara. “We’re fundamentally trying to disrupt the healthcare system.”

One example is Blue Shield’s Narcotic Safety Initiative, launched in 2015. Through such evidence-based interventions as a prescriber education program, access to high-quality programs to manage chronic pain and opioid use disorder and enhanced detection of fraud and abuse, Blue Shield observes positive outcomes: by 2018, opioid use among members reportedly decreased by 56%.

The organization is also a participant in a massive, cutting-edge breast cancer study called WISDOM, which is weighing the benefits of standard annual mammograms versus a personalized screening regimen determined by genetic testing.

“We work as part of an ecosystem that we don’t control,” says O’Hara. “As an example, we rely on our strategic partners, such as our providers. We rely on government.” By trying to be an innovative role model, breaking new ground and removing costs, Blue Shield aims to help improve the entire ecosystem.

In fact, according to Blue Shield, the organization has long embraced innovation: in 1950, it offered the first catastrophic coverage in the nation; in 1984, it offered the nation’s first coverage for heart transplants and in 1996, it offered online benefit and enrollment information.

“We’re reimagining how the overall healthcare system works in a holistic way,” O’Hara says. “Blue Shield and our foundation, Blue Shield of California Foundation, work in partnership to consider the whole system, public policy, including the social determinants of health and addressing systemic issues that leave certain populations marginalized. We are focused on creating a system that is worthy of our family and friends and sustainably affordable.”

The company is also using technology to integrate financial data with population health data in an effort to help control healthcare costs. Clarke notes, “We’re combining data on population health we get from our claims system with our financial data, and linking this with an artificial intelligence tool. It’s giving us better insights and enabling us to drive transformation around affordability.”



In addition to innovating in the healthcare system, the company is reinventing internally. By bringing core business processes together in one system across HR, finance and incentive compensation, it's making itself both more efficient and more aware—better able to use its own data and to derive insights from it.

And as for taking care of employees, O'Hara advocates for transparency: "We believe in letting you know if your job might be changing, and may even be going away when we know it," she says. "And instead of just saying to those individuals, 'You're out of a job,' or 'Technology is changing your work,' we commit to helping prepare our people for the future and invest in them."

Blue Shield's Talent Bridge program is intended to invest in people and help engage them in the process of redesigning those jobs, and also provide opportunities to retrain. The Talent Bridge team scans the organization for open roles, first seeking to fill them with internal employees impacted by organizational change, and then providing training if there is a fit, says O'Hara.

For instance, Blue Shield has embarked on an initiative to implement digital, real-time claims payment, so everything is settled as a patient walks out of a doctor's office, reducing headaches and administrative hassles for everyone involved. Of course, as billing becomes more automated, this changes people's jobs.

So some jobs are going away. How can employees be skilled for jobs of the future, like, for example, navigating from a job in claims to something different, like the company's new health advocate role, which helps members navigate the healthcare system? Health advocates are paired with members who have complicated, multidimensional illnesses and integrated treatment options. They help orchestrate integrated care, treatment and coverage. Training is essential. "Technology also plays a role in access to training, like online access to learning that's ubiquitous and that allows people to be able to take training outside of normal office hours," says O'Hara.

Blue Shield is also willing to relocate people if the geography is different—where the job is today versus where the job is tomorrow. "We try to be honest and transparent with people that the business is changing," says O'Hara. "But we're also proactively investing in retraining and supporting them through the process of potentially relocating, if they choose to do that." Access to training courses also helps employees boost readiness for the external labor market.

Build An Employee Experience On Par With Customer Experience

“We think about technology and the customer experience, which is causing us to really focus on reexamining workflow that will reduce friction for the customer,” says O’Hara.

“And that requires more investment in digitizing, and it changes jobs.”

She also notes that the company has 100% pay equity, by design, among men, women and minorities: “We value

diversity and have seven Employee Resource Groups,” which represent women, veterans, black, Hispanic, Asian, persons with disabilities and LGBTQ+ employees and their allies.

O’Hara emphasizes that Blue Shield’s people strategy is fundamental to the organization. “It’s absolutely at the heart of what makes a mission-driven organization,” she says. “We can’t care for members if we don’t care for our people.”

She observes that technology is an important enabler of human capital strategy, “so finding trusted technology partners committed to solutioning with you as CHRO is foundational to driving success.”

And for Clarke, integration and the ability to harvest data are also a crucial part of the equation. “The more integration we have and the better insights that we can derive, the more we can give people new opportunities in the workforce,” she says. “And we have better clarity on performance from a people and a financial perspective.”

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