# Talent Management

## Recruiting and Retaining Top Talent Through Technology

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Talent. Every organization wants it, and every organization runs the risk of losing it at some point.

The ongoing retirement of the baby boomer generation is leaving a widening skill gap no matter the industry, and the challenge of finding good talent is matched only by the challenge of keeping it.

Research shows that companies' potentials are not fulfilled because key points of talent management are not achieved. From hiring and training strategies to internal development, Chartered Global Management Accountant studies show that only 16 percent of North American companies have personal development programs, compared to 45 percent of European and 35 percent of Asia-Pacific firms.

In addition, studies show 43 percent of chief executives, chief financial officers, and human resource directors believe that lack of effective human capital management has limited their organizations' ability to innovate or reach key financial targets.[1] Replacing a key associate may cost 50 percent to 200 percent of that employee's annual salary, based on the level and type of job the employee held.[2]

Talent management is clearly critical to an organization, but its value is difficult to understand without an explanation of what it entails and how it can aid organizations.

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> —*Chartered Global Management Accountant study*

## What Is Talent Management?

Talent management is a set of cohesive processes and organizational philosophies designed to attract, develop, retain, and motivate employees. Talent management aims to create a high-performance organization that meets operational goals and objectives, has a cohesive culture, and fosters employee development and growth to positively impact the company.[3]

## How Is It Different From Human Resources Information Systems?

Human resources information systems (HRIS) are tactical and administrative, dealing with the day-to-day company and employee relations, whereas talent management is focused on recruiting, retaining, and improving the talent within the organization. HRIS tends to be transactional while talent management is more strategic.

## The Five Pillars of Talent Management

- ❖ Recruiting and Onboarding
- ❖ Learning Management
- ❖ Performance Management
- ❖ Compensation Management
- ❖ Succession Planning

## Recruiting and Onboarding

Recruiting refers to the overall process of attracting, selecting, and hiring candidates for positions within an organization. Continuous engagement starts with the initial interest of a potential employee viewing the job posting through the new employee's first days at work.

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[1]http://www.cgma.org/magazine/news/pages/20126410.aspx?TestCookiesEnabled=redirect
[2]https://www.worldatwork.org/waw/adimLink?id=62016
[3]https://tmod.jhu.edu/talent_mgmt/talent_mgmt.cfm

## There are Several Key Components of the Recruiting Process:

### Sourcing

Sourcing encompasses the many strategies used to attract and identify candidates through recruiting techniques, such as networking, cold calling, job boards, and media.

### Screening and Selecting

This process includes an assessment of candidates' qualifications used to filter candidates in a manner that ensures equal opportunity and ethical standards while still finding the best possible candidates.

### Onboarding

The onboarding process helps new employees acquire the necessary knowledge, skills, and behaviors to become effectively integrated into the organization and its culture. Ideally, this process will start the day the candidate accepts the job and continues through his or her initial time at the company.

By incorporating a recruiting system, information on potential employees is captured from their very first encounter with a job posting. After they are hired, the applicants' information flows through the onboarding process, reducing the amount of paperwork that must be completed on the first day by both the employees and the administrator. Determining the necessary positions to fill and the skills that those specific positions require to be effective for the organization means more qualified candidates and effective hiring decisions.

## Learning Management

Learning management systems (LMS) are software applications for the administration, documentation, tracking, reporting, and delivery of electronic educational technology and resources. LMS have a wide range of features and functionality, ranging from tools that manage training and educational resources to programs that can be used to develop content and courses. By utilizing an LMS, a new employee can begin to develop knowledge and skills from day one. It is important, however, that these tasks are meaningful development opportunities, not just training assignments.

Many of the more robust talent management systems incorporate tools that allow self-directed career exploration and self-directed learning, so the employee can explore possible next steps in their career and explore the skills they need in order to take that next step. Sophisticated tools will often recommend courses for an employee to take or point out the skills that an employee would need to develop. These tools can help show employees that they have a future within their current organization and may be incorporated into succession planning.

## Performance Management

Performance management systems allow employees and managers to ensure professional and personal goals are consistently being evaluated and met in both an efficient and effective manner. These systems can focus on goals at the organizational, departmental, or employee level. A performance management system aims to expand upon, or eliminate entirely, the dreaded annual review in favor of a coaching/mentor-based process that is managed on an ongoing basis.

This process is used to unify resources, systems, and employees to tactical objectives and priorities that are shared throughout the organization. Managers and employees work together to plan and monitor work objectives and overall contributions to the organization, as well as review their success. Performance management includes an annual review, as well as continuously setting objectives, assessing progress, and providing feedback throughout the year.

**Some benefits of a performance management system include:**

### Direct financial gain

❖ Grows sales

❖ Reduces costs in the organization

❖ Stops project overruns

❖ Aligns the organization directly behind the CEO's goals

❖ Prepares for strategic or operational changes by communicating a new set of goals

### Motivated workforce

❖ Creates and broadcasts goal incentives in order to improve employee engagement

❖ Provides higher confidence in bonus payment processes

❖ Creates understanding of personal and high-level professional goals

❖ Allows professional development programs to be better aligned directly to achieving business level goals

❖ Builds an internal culture that values development both individually and companywide

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### Talent management aims to create a high-performance organization that . . .

Meets operational goals and objectives.

Has a cohesive culture.

Fosters employee development and growth that positively impacts the company.

### Improved management control

❖ Develops an understanding of and responsiveness to management needs

❖ Displays data relationships

❖ Helps audit/comply with legislative requirements

❖ Aids in efficient and understandable communication of strategic goals scenario planning

❖ Provides well recorded and communicated process documentation

## Compensation Management

Instead of unmanageable Excel worksheets, compensation management software aims to reduce manual labor, reduce potential for errors, allow for administrative controls and task automation, and add visibility for bonuses and employee rewards, which magnifies performance motivation.

Compensation is not only a recruiting tool but a retention tool as well. Incentivized compensation helps to keep highly motivated workers motivated and control compensation costs by providing the right incentives and equity to the right employees in order to keep the company's pay philosophy in line across the organization. By incorporating compensation and performance management, a company will likely be able to reduce overall costs by allocating more bonuses and base salaries to fewer and more effective employees.

## Succession Planning

Key employees leave organizations, and transfers of leadership are an inevitable part of a company's lifecycle. But, with careful forecasting, organizations can control the changes that result from these fluctuating dynamics.

Succession planning provides stability and sustainability by ensuring there is an established and followed method to meet staffing requirements. Executives can demonstrate leadership by having the strategies and processes in place that allow these transitions to occur smoothly, with little disruption to the organization. Succession planning identifies and develops current employees with the potential to fill key business leadership positions either now or in the future. By increasing the availability of experienced and capable employees who are prepared to assume these roles, succession planning also reduces the loss of critical knowledge.[i]

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[i] http://hrcouncil.ca/hr-toolkit/planning-succession.cfm

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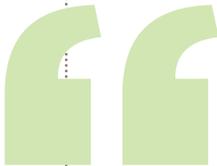
Learning management tools show employees that they have a future within their current organization."

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## What Issues Can Talent Management Help Solve?

Each management unit has its own unique goals and challenges, and talent management will help them in individual ways. At the same time, companies have similar challenges and goals pertaining to their employee base and business that talent management aims to solve.

### How can the recruiting process be more efficient, while finding effective employees?

By utilizing a specialized applicant tracking system/vendor that will:

- ❖ Work with you to define key characteristics of a successful hire.
- ❖ Determine the best method to acquire applicants who fit the defined profile.
- ❖ Make the application process simple and straightforward to avoid losing qualified applicants.
- ❖ Engage new hires from the time an offer is made until their first day of work.

### How can we better develop the talent we have already, and how can we provide a relevant and timely learning module?

With a learning management system and specialized content that:

- ❖ Help define and structure learning plans.
- ❖ Track and report progress by different sub-groupings.
- ❖ Deliver content in multiple mediums (video, classroom, interactive documents, etc.).
- ❖ Allow a company to pick and choose the content that best fits its needs.
- ❖ Provide the framework to develop and deliver custom content.

## How will we fill critical roles as older generations of workers retire?

By using an advanced succession planning system, businesses will be able to:

❖ Anticipate areas that will experience a loss of key talent through attrition or retirement.

❖ Allow for the identification, development, and tracking of qualified successors for key roles.

❖ Integrate with the recruiting and onboarding process to make sure new hires have the skills and learning pathways needed to fit into the organization's succession plan.

## How can we consistently manage our employees in order to fairly compensate our workers, hold employees accountable, and align our workforce?

With an improved and progressive performance management system that:

❖ Includes a template-driven real-time feedback mechanism that can be delivered from mobile devices as well as a web-based application.

❖ Allows feedback from sources other than a person's direct manager.

❖ Provides aggregated reporting to managers.

❖ Facilitates goal setting from both an individual and team level.

## What to Look for in a Talent Management Vendor

❖ A significant history in the business, including a substantial client base.

❖ Specific areas of excellence and admission of areas that are not as strong (e.g., great compensation planning module, but just basic functionality in succession planning)

❖ A sweet spot of client size (we are suspect of a company that says it services companies from 50-50,000)

❖ A history of profitability, not just building a business to be sold.

❖ A strong pipeline/roadmap of new system functionality.

## Are You Interested in a Talent Management Solution?

Below are a few of the larger talent management vendors:

❖ Taleo

❖ SuccessFactors

❖ Cornerstone on Demand

❖ Halogen

❖ Peoplefluent

❖ iCims

This list is not all-inclusive, as there are more talent management vendors than would fit in this white paper. If you have questions about talent management solutions and how to use them to help recruit and retain your workforce, please contact your Lockton Account Team or Lockton Benefit Group's HR Technology and Outsourcing Practice.

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