



Talent at your fingertips

Almost every science fiction writer's vision of the future has the world run by banks of interlinked computers. These all-controlling machines have a tendency to go mad and attempt to destroy the world but, that aside, the picture might not be that far off. Things are certainly moving this way within talent management. For some time, organisations have been using function-specific software packages, known as 'best of breed', to support aspects of their work such as absence management, career mapping and competency benchmarking; now they are beginning to look at how to join all these elements up.

At the most basic level, talent management programs reduce the administrative workload by automating processes such as managing leave. More advanced programs can, for example, make it easy for large numbers of employees at a range of locations to sit the same skills tests through a website. Now, however, increasing

numbers of providers offer integrated systems that bring everything from recruitment and psychometric assessment to performance management and succession planning into one all-encompassing package.

"The first wave of technology was just about automating processes but now people are looking at how they can leverage the information that they are getting to make better decisions," says Zach Thomas, an analyst at Forrester Research, which offers independent analysis in this area. "The next change will be people using analytics not to get things done quicker, but to tie hiring decisions and talent management to bottom line results."

For some companies, taking an integrated approach may mean starting again from scratch. "A lot of people already have a number of best of breeds and now they're thinking about adding to them," says Bettina Pickering, the managing consultant in people and change at PA Consulting. "The tendency

is always to add another best of breed but the problem is that nothing fits. They all have their own philosophy, their own competency model, their own way of looking at talent management and nothing fits together. This means that organisations have to put mapping software in to integrate it, or even do it manually." This can be time consuming, costly and sometimes simply ineffective.

On top of this is the growing interest in 'self service' systems, where staff are responsible for updating their own profiles and can be given the chance to nominate themselves for promotion or development. This reduces the data entry workload for HR and gives employees more control over their own career direction, but can be difficult to manage if it involves multiple systems.

"You cannot really ask employees to log in to five or six pieces of software, so that means [businesses] need to provide a portal solution, which again takes time and effort to produce," Pickering says.

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Talent management software can undoubtedly reduce staffing and recruitment costs, but the real challenge is to find an integrated software package that 'fits' with the business model. **Carly Chynoweth** reviews what's out there and how to avoid some of the potential pitfalls

When employees are asked to use several different systems, there is a greater chance they simply will not bother – meaning the data in every system is out of date or incomplete. Bring it into one place, keep it simple and it is much easier to get people on board. Then there are the business benefits. It's easy to see the value of e-recruitment, says Grant Crow, the managing director of StepStone Solutions in the UK: spend £300,000 a year and your return is £1m. It's a bit harder to quantify this with talent management. He gives the example of a company that went from filling 70 per cent of its vacancies externally to filling 70 per cent internally, thus saving on recruitment costs and aiding retention.

Still, given the current talent climate he thinks that HR managers are in an excellent position to show business leaders the advantages of such systems: "I think that the whole talent management phenomenon is the last great chance for the HR community to

stand up at the board and say we can make a contribution and influence the business."

Vincent Belliveau, general manager, EMEA, at CornerStone OnDemand offers an example. "We are working with

a global bank ... [that] used to admit openly it was easier for them to recruit externally than to find someone internally, even if they knew the person existed. They would have 10 people internally but could not find them."

FACTORS TO CONSIDER

- **Need.** Do you really need talent management software? Small firms based on one site may not.
- **Talent strategy.** What is it and how will software support it? Will it be flexible enough to change as the strategy does?
- **Functionality.** What does the software you're considering do? Do not fall into the trap of expecting it to do everything all at once; focus on core needs.
- **Reporting and analytics.** Is it easy to get the data that you need, when you need it?
- **Integration.** How will it fit with existing systems? Will it accept external information, such as salary survey data, that may be used for benchmarking?
- **Branding.** Will a user see it as a seamless part of your site or will it bear the vendor's brand?
- **International.** Does it support linguistic and legal variations so that it can be used globally?
- **Hosting.** In-house or external?
- **Benchmarking.** Essential for assessing whether the new system does bring benefits.

Case study: Aviva



Two years ago the biggest challenge facing Arvinder Dhese, group talent management director at Aviva, was getting an accurate picture of the talent within the international financial services group so that he

could match in-house talent to in-house job openings. He had only been at the company for a few weeks when the chief executive of its European business sent Dhese and his boss a message saying that a CEO position in one of the businesses in the Asia Pacific was becoming vacant; he then asked for a list of suitable internal candidates.

That is a reasonable request to make but it proved a difficult one to fulfil. Aviva lacked an accurate, searchable talent base; it relied on paper-based information that was gathered once a year and was frequently out of date.

“And it’s not just about paper,” Dhese says. “It means you realise how much you rely on anecdotal knowledge.” As a result, some people who wanted to be considered for

the position were missed out, while others who were approached about the position were not interested.

The group has recently implemented StepStone’s ETWeb OnDemand service. “The big advantage [of the software] was that it gets over this need to second-guess what someone else is thinking. The self-service element means we’re pushing responsibility on to the individual to put themselves into the driving seat of their career. They own their online resume and they ensure that it’s accurate.” The software has also improved the efficiency of what used to be a fairly labour-intensive system.

Still, he admits there are also challenges to be managed; while some staff have adopted the new system enthusiastically, others – particularly those who do not have a strong personal drive for promotion – have needed more support.

This may become more of an issue as the rollout continues, too. At the moment it incorporates only 400 senior managers but will shortly be extended to 1,500 and should eventually include all 57,000 staff. The business’s future leaders could be anywhere within the company, Dhese says: “And if we don’t know where they are and who they are, we are developing for the competition.”

Case study: Sainsbury’s

Sainsbury’s worked with Changeworkknow to move its talent management system away from paper and into the digital age. The result, says Beckie Fish, graduate and campaigns recruitment adviser at the supermarket, was greater consistency in data capture and performance ratings, and more accessible high-quality information.

“We had a [talent management] system that had been in place for some time, but it was paper based and completed



on a region-by-region basis,” she says. Pulling it all together was time-consuming and paperwork tended to become an end in itself. Equally, each region tended to have its own way of doing things, leading to a lack of consistency.

The company overhauled its entire talent review process to ensure that it was linked to the business’s goals and that managers had the skills to support it. They also implemented a talent management database that allows them to capture the outputs of performance review and talent discussions more efficiently; this in turn means they have key talent information at their fingertips.

But implementing this system was not simply a matter of handing out usernames and passwords; the process was underpinned by an extensive training programme. “This was a change process and the most important part was helping managers understand the importance of conducting performance reviews and having the skills to do this,” Fish says. “The quality of the conversation is the most important point before any data can be captured. We had the challenge of communicating to a large population and the logistics of the training.”

Failing to locate and promote these people costs in at least three ways: unnecessary head-hunting costs; onboarding costs of bringing in an outsider; and the increased chance that a potential leader of the future is ignored, feels slighted and quits. "That is the reason people end up leaving companies – you are a strong performer, you work hard but when the right job comes up they hire externally because they don't know that you exist."

An integrated talent management system can contain a career profile of every staff member. HR staff (or line managers, team leaders or any other person authorised to use the system) can then search using parameters such as years of experience at the company, performance ratings, specific qualifications and a willingness to relocate to a particular area. This can give expanding businesses a strong first-mover advantage: a company that spots an emerging market can set up a new office or department quickly and efficiently using its existing staff rather than needing to bring in outsiders.

The integrated approach has other advantages, too. For a start, there is no need to manage multiple systems or vendors. It is possible to take a modular approach, meaning that organisations can pick and choose the functions they require; it is also straightforward to complete the initial rollout with one or two elements and bring others in as part of a phased scheme. There will not necessarily be significant up-front costs, either. For example, StepStone offers a web-based service, meaning that all companies need is an internet connection, and charges on a monthly basis – from about £500 per month for a small organisation of 50-100 people to £20,000 per month for big businesses – with the right to cancel after 90 days.

But end-to-end systems do not suit everyone. Pickering, who offers companies independent advice on using software as part of a talent management strategy, says that many small



businesses simply won't need it. Neither will companies that only want to cover one area in isolation. Equally, other clients that do want end-to-end systems may find they do not have all the features they want, meaning they will need to incorporate a best of breed program as well.

"And some organisations really want to be at the forefront of HR in their industry," she says. "Sometimes that is better supported by best of breed than end-to-end. Best of breed usually go into a lot more detail in the processes that they support and offer a lot more best practice." So, if you want the very best in just a few areas, a series of specialist packages – plus an integration budget to make them all work together – may be the best approach.

The biggest pitfall to avoid when buying talent management software is

the assumption that it will solve all your organisation's problems. Organisations that use technology to automate existing broken systems will simply be making the same mistakes faster.

"There's a temptation when you look at this subject to simplify it, to think that there is a silver bullet out there to fix it, but whatever approach you take has to be congruent," says Marcus Powell, a consultant and the head of talent management at Ashridge Business School. "Many organisations see technology as the starting point, but it's absolutely not. It's an enabler. You need to ask questions about what talent is in your organisation.... Those answers should then drive your paradigm." Software should always support strategy, not the other way around.

This is one of the reasons it is worth choosing a provider that can offer consultancy and comes from a talent rather than an IT background, says Lesley Nash, the managing director of Changeworknow. "All too often people want software before they know what they want to achieve," she says. "Very often these things turn out to be a change management issue and, although the tool is important, it is not the only thing needed." Most of the top global players offer quite similar software, Crow adds. "The argument is not about can it do this or can it do that... it comes down to what service [we] provide around the software." ■

Software vendors

The top three are:

Cornerstone OnDemand, StepStone and SuccessFactors

Other vendors include:

Authoria, Halogen Software, HRsmart, Kenexa, Lawson, Learn.com, Oracle, PeopleSoft, Plateau, Saba, SAP, Softscape, SumTotal, Taleo, Technomedia, TEDS, Vurv and Workstream.

Sources: Bersin & Associates;
Zach Thomas, Forrester