

Death of the 3 Ring Binder: The Future of Talent Management Lies In The Cloud

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Until recently, companies typically conducted performance management, career development, goal setting, compensation, and succession management using paper forms, PowerPoint presentations, and spreadsheets filled with half-completed, manually entered employee reviews and profiles. HR departments would often spend months pulling together data needed for compensation decisions and succession planning. Much of this data was obsolete by the time it was assembled. This left HR in the unenviable position of trying to engage leaders in “strategic” talent conversations using clumsy paper binders full of questionable information.

Thanks to cloud based technology we are finally seeing the “death” of the HR 3 ring binder. Talent management is shifting from fixed, paper and pencil or highly static in-house enterprise platforms to dynamic online, cloud-based systems. These systems make once clumsy processes much more efficient and easy to use. This is most apparent in goal setting. I have seen companies implement goal cascading across 10,000 employees worldwide in less than 60 days.

Cloud technology is having a similar impact on performance and succession management. For example, a global company recently implemented an integrated online system for performance management, goal setting, and succession. In 2010, they were able to:

- ✓ Set 1,787,465 performance objectives
- ✓ Complete 253,465 performance reviews
- ✓ Conduct close to 6,000 talent review and calibration meetings

With a single mouse click, this company can now generate online reports providing immediate visibility into what people are doing across the company and how well they are doing it.

By automating core talent management processes, cloud computing decreases administrative burdens associated with managing talent and frees HR professionals to focus on addressing business relevant issues. Instead of spending time asking people to “please fill out their talent forms”, HR can leverage cloud technology to gain insights and drive strategic discussions around information contained in data found on those forms. Simply put, you can’t manipulate data in a three ring notebook in the same way you can maintain and use data residing in an integrated, cloud-based talent management platform.

Providing Talent Knowledge and Tools

Adopting cloud computing applications enables HR to shift from administering talent management processes to working directly with business leaders to ensure employees are used effectively to support short and long-term business strategies. Cloud-based talent management technology also enables HR to provide data and simple job aids directly to managers that help them make better decisions about people. This includes tools that help managers more accurately evaluate employee performance and provide constructive, behavioral-based feedback to assist with employee development.

The impact cloud-based business execution technology has on HR can be likened to the impact GPS technology has on the use of street maps. It allows companies to take HR information and tools off of book shelves where it was rarely accessed and put it in the hands of decision makers when they need it

in a format they can readily use. This allows HR organizations to create processes that fundamentally and profoundly improve how line managers run their businesses.

Measuring Managers' Performance as Managers

A powerful, but often overlooked benefit of cloud-based talent management technology is the visibility it provides into whether managers are carrying out basic management tasks, such as setting employee goals and providing employee feedback. As one client told me, until her company implemented cloud-based performance management technology, they simply had no way to effectively measure whether managers were even talking to employees about performance, let alone doing it well. The implementation of technology-based performance management processes made it possible to measure whether managers were practicing the most basic tasks associated with managing employees - setting expectations, evaluating performance against expectations, and providing feedback.

Benefitting from the Cloud

The use of cloud technology is enabling HR organizations to fundamentally change the role they play within their companies. But the technology by itself does not create this change. HR leaders must effectively use the technology to drive more business relevant conversations with line leaders. This requires HR leaders to actively engage line leaders in discussions around what kinds of people are needed to support business strategies, what changes need to be made to employee performance to effectively drive new business initiatives, and what actions must line managers take to ensure the right people are in the right jobs doing the right things for the company to succeed.

Running a business requires three things:

1. **Defining Strategy.** Figuring out what you need to do to succeed.
2. **Managing assets.** Securing the capital and resources required to support the strategy.
3. **Driving business execution.** Building and managing the workforce to effectively leverage company assets to deliver strategic objectives.

Defining strategy is commonly owned by the CEO and marketing. Managing assets is often owned by finance and supply chain. Thanks to the support of cloud-based talent management technology, HR has now, perhaps for the first time in its history, both the knowledge and tools needed to play a true leadership role in driving business execution. The next step is for HR leaders to take ownership of this role. We have the tools and knowledge; we just need the courage and conviction to use them.

Steven Hunt is Director of Business Transformation Services for SuccessFactors, the Global Leader in Business Execution Software. He can be contacted at shunt@successfactors.com

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