



Tales from the Bleeding Edge of Talent Management: Three Technology-Driven Trends that are Changing how Companies Manage their Workforces

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When it comes to innovation, HR and the diet industry have a lot in common. Both are focused on getting people to do things they know they should do, but don't really want to do. For losing weight, it's eating less and exercising more. For HR, it's getting managers to spend time engaging employees in productive conversations about performance. Perhaps this is why both fields are prone to fads claiming to have discovered some new way to achieve the results we want without putting in the effort required to get them.

Given the fad-driven nature of HR, I approached writing a paper entitled "Tales from the Bleeding Edge of Talent Management" with a bit of skepticism. New talent management technologies are constantly launched with proclamations that they will completely change how companies manage their workforces. While the technology people use at work has changed radically over the last 10 years, most of the "best practices in talent management" used now are largely the same as they were in the late-1990s, with many dating back much earlier than that. Most of these practices require managers and employees to spend time defining and discussing job expectations and sharing ideas on how to increase workforce productivity. Yet, relatively few managers and employees use these practices, even though they know that they are valuable. For example, every manager I've asked has agreed that

setting clear goals and providing constructive, behavioral-based feedback is extremely important, but almost none of them do it well or consistently. In sum, one of the biggest challenges to driving change in talent management is not knowing what people should do, but getting them to actually do it.

There is no doubt that people are able to do things with talent management technology now that they could not do five years ago. But, just because technology contains innovative functions does not mean people are using it in innovative ways. Just as with HR in general, the issue is not so much about what the technology can do, but how managers and employees choose to use it. Is technology truly changing talent management practices? Or, are we just doing the same things we've always done using a different set of tools?

Fortunately, I had a rich set of data to draw on when thinking through these questions. My job puts me in contact with hundreds of organizations that use technology to increase the business value of HR processes. When I reflected on what some companies are accomplishing, it struck me that there are places where technology is having a profound impact on how companies manage their workforces. In the interest of space, I will focus on three that are among the most transformational.

Back to the Future: Social Technology and the Re-emergence of Social Learning

Job experience is widely recognized as the most valuable method for developing professional and leadership skills. Job experience is particularly effective when it creates social learning opportunities where people observe, interact, and share ideas with other professionals. Social learning is not a new concept. The use of structured apprenticeships to teach skilled trades significantly predates development of formal vocational training programs. Yet, somewhere during the 20th century, companies shifted away from social learning and started emphasizing the use of structured training courses. One reason for this shift may have been that companies did not have access to effective technology to support creation of social learning experiences. But the advent of corporate social learning technology built along lines of public tools such as Facebook, Twitter, and YouTube is changing this. Here are two examples that illustrate how social technology is impacting learning and development within companies:

1. A technician who installs residential air conditioning units notes an issue affecting unit performance with certain types of thermostats. He uses his phone to film a video illustrating the issue the next time he is in a home with this type of thermostat. He then sends it to his colleagues around the nation to share advice

- on how to fix the problem. This results in an online discussion on the issue and how to best address it.
2. A company is struggling to promote and retain women in its executive ranks. They create an informal “chat room” on its intranet site where employees across the company are invited to share opinions and suggestions on why women leave the organization. This leads to several useful insights and suggestions, as well as the creation of informal mentoring relationships between higher-level female executives and recently hired female engineers as a result of their interactions on the site.

These events illustrate types of social learning that occur naturally when people are working alongside each other. Social technology makes it possible to scale this kind of social learning across thousands of employees working around the globe. People do not need to work alongside each other to learn from one another. In sum, social learning technology is making it possible for organizations to go back and rediscover tried and tested apprenticeship and mentor-based learning methods that we somehow lost in the 20th century.

The GPS Effect: Technology that Enables Strategic Use of Administrative HR Processes

Innovations in technology used to support traditional talent processes such as performance and succession management is allowing companies to leverage these processes to guide and shape business strategies rather than simply using them to monitor and keep track of talent. The main factor driving this shift is the ability to provide real-time, dynamic access to information about the performance, goals, and capabilities of employees across the entire organization. Consider the following two examples:

1. A global organization implemented succession management technology to support its annual talent review process. Before using the technology, the company used to spend weeks assembling information about employees required for the talent review. Now the company can instantly access current information on the skills, performance, interests, and goals of any employee across the company. Having dynamic, real-time access to this information radically decreased the time required to prepare for the meetings and also changed how the talent review meetings are conducted. The meetings used to involve reviewing three-ring binders looking at profiles of every employee. Now the meeting facilitator used the technology to focus only on employees whose roles were critical to current business operations. This shifted the meeting from a repetitive review of “who are the people in the company” to an active discussion around “what does the company need people to do.” This made the meetings much more relevant to

addressing operational issues affecting business performance. The shift was so profound that leaders decided to hold future talent review meetings quarterly instead of annually.

2. An organization was making a major change in its go-to-market strategy. Shortly before this change, the company implemented a performance management technology system that allowed leaders to see how each employee’s goals were linked to the overall business goals of the organization. Company leaders leveraged this system as a “strategy communication tool” to share the company’s new go-to-market strategic goals with employees. Employees were asked to align their personal objectives against these higher level strategic goals. Senior leaders then ran reports to determine whether the goals employees were focusing on were effectively supporting the company’s new strategic direction. By providing insight into the nature and status of the goals of employees at all levels of the organization, senior leaders had greater visibility into how the change in strategic direction was affecting the focus of individuals across the company. This shifted the company’s annual goal setting process from merely being a “means to justify compensation decisions made at the end of the year” to a “tool to guide what activities people are focusing on right now.”

The impact talent management technology is having on traditional HR processes can be likened to the impact that global positioning system (GPS) technology has had on how people use maps. Global positioning system technology takes information that was rarely used when it was on maps crammed in the glove box, and provides it to drivers when they need it in a format that is easy to use. Talent management technology is having a similar impact on how leaders use performance and succession management information. This technology takes information about employee goals, performance, and capabilities that used to only be found in manila folders and three-ring binders, and provides it to leaders in a way that supports real-time conversations and decisions around business management.

This change is further accelerated as traditional talent management processes are placed onto mobile devices

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such as tablets and smartphones. Mobile devices provide easy access to information found on organizational charts, employee profiles and employee goal plans. This information is regularly updated and validated through “traditional” talent management processes such as succession and performance management. This allows people to quickly answer questions related to “who is doing what and where are they in the company?” that are often asked in today’s environment of constant company change and restructuring. It is amazing how much value people get from having access to a searchable organizational chart with current employee information available to them on their smartphones.

Nailing Jell-O to a Tree: HR Data in the Executive Board Room.

A colleague used to say that measuring workforce productivity was like “nailing Jell-O to a tree.” Many companies struggle to define “job performance,” let alone accurately measure employee productivity. But, advances in technology to assess, collect, and interpret employee performance data are changing this. These systems make it easier to assemble data on employee performance and allow companies to link employee performance data to other criteria such as business unit profitability, workforce turnover and customer satisfaction. The data can then be used to provide insight into how the composition of the company’s workforce impacts financial outcomes. The result is that HR data is now becoming much more of a factor used by executives to guide strategic business decisions.

The following are two examples that illustrate how companies are using HR data to guide the development and execution of business strategies:

1. A sales organization was trying to determine the optimal ratio of managers to individual contributors. One argument called for decreasing workforce costs by having a few managers in charge of relatively large teams. Another argument focused on increasing revenue by creating smaller teams where managers could provide more direct coaching to each team member. Rather than guess at the answer, the company used workforce data to calculate the relationship between manager span of control and sales per employee. They found an inverted u-shaped relationship that showed that increased span of control did not negatively impact employee performance until managers had more than about eight employees.

When managers had teams of more than eight employees, the cost savings associated with increased span of control did not justify the decreased productivity caused by managers not being able to effectively coach each team member.

2. A utility company knew they were facing a potential skills shortage due to the average age of employees in its workforce. But, they did not know exactly how or when employee retirements were going to impact business operations, which, in this case, literally meant “keeping the lights on.” The company analyzed data on employee skills, age, perceived turnover risk, and promotional potential to identify specific positions where there was significant risk of a disruption to business operations due to talent shortages. This data is reviewed on a regular basis to ensure that they develop replacements for critical jobs in advance of actually needing them.

As these examples illustrate, technology is making it possible for companies to effectively access and analyze HR data to guide critical operational decisions. Human Resources data is no longer used just to talk about how many people are in the company and what their salaries and job titles were last year. It is used to guide decisions around what we need people to do tomorrow in order to execute against future business strategies.

How will HR Technology continue to drive Changes in the Role of HR?

The field of human resources can be divided into two basic areas:

1. **Personnel Management** – Administrative and legal processes associated with employment of people, and
2. **Business Execution** – Talent management processes associated with aligning the workforce to deliver business results.

Business execution represents the side of HR that gives a company competitive advantage. Operations leaders rarely ask personnel management questions such as, “How do I ensure that people get paid on time?” This is because having better payroll processing is not going to help you beat the competition. But, operations leaders often ask business execution questions such as, “How do I get people aligned around the company’s strategic goals?”

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When leaders say they want “HR to be more strategic,” what they are really saying is they want more focus on business execution and less time spent on personnel management.

Two things are required for an HR organization to effectively support business execution.

- 1. Talent Management Expertise** – The HR organization must have expertise in areas such as staffing, performance management, succession, development, and other processes that build and align workforce capabilities to meet business needs.
- 2. Implementation** – The HR organization must be able to deploy talent management expertise across the organization. For example, it does not matter if the HR department knows how to provide effective feedback if the department cannot effectively share this knowledge with the line leaders who actually manage employees. This is where technology plays a critical role.

Innovations in technology allow HR professionals to share their talent management expertise with line managers in a format that is readily available and easy to use. This means companies are starting to do things related to talent management that they have always known they should do, but didn't do in the past because it was too difficult. Some of these changes are quite impressive, e.g., sharing subject matter expertise in real-time across the entire workforce, while others may seem mundane, such as making sure all employees have well-defined goals. Whether sophisticated or simple, the fact that talent management technology makes it possible for HR leaders to more effectively deploy their expertise across the company is increasing the impact and relevance of HR to overall business operations.

Talent management technology plays a critical role in enabling the transformation of HR from personnel management to business execution, but technology itself will not create this change. Human Resources leaders must also challenge line leaders, managers, and employees to approach talent management differently from how they may have done it in the past. Foremost is dealing with people who lack the inclination or skills for talent management. Managers, who do not know how to set goals, evaluate performance, or deliver feedback, will struggle to get value from technology that requires that they do these things. Many will actively resist such technology as a “waste of time” because they neither appreciate nor understand its value. One HR leader told me that until her company implemented a technology-enabled performance management process, they were not able to measure whether managers were even talking to their employees about performance, let alone doing it effectively. They

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discovered that a significant portion of managers did not view coaching employees as an important part of their job since they had never been measured or evaluated on it. Many of these people had been placed in manager roles as a reward for technical expertise, not people management skill. As a result, a major part of the technology deployment was focused on educating managers on how and why they should spend time carrying out basic management tasks such as setting employee goals and providing employee feedback and then holding them accountable for doing this.

Human Resources, for perhaps the first time in its history, has the knowledge and technology needed to play a true leadership role in driving business execution. But, how quickly this happens will depend far more on how people choose to use talent management technology than the capabilities of the technology itself. Is talent management technology fundamentally changing the role of HR? No. But, it is enabling HR to play the role that HR leaders should play, and those who are courageous enough to drive it within their companies will reap the rewards.

About the Author



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