

Success Factors and Talent Management - How South African organizations can transform their workforce, grow the bottom line and achieve world-class results through an innovative approach to managing talent"

Introduction©

Every business is required to create a strategic plan to remain viable and experience continuing growth. However, unless that plan is carried out to execution, the company's vision will remain an apparition, never to be realized. The history of corporate failure is littered with those companies that may have had brilliant strategies but lacked the ability to follow through with effective execution.

Research has shown that 85 percent of a company's financial success is accounted for by execution rather than strategy.¹ This measurable percentage differential between strategy and execution contributes significantly to a company's the bottom line and directly effects investor satisfaction and long-term success. The interesting fact is that execution drives performance regardless of specific economic conditions that may prevail. The principal reason for this is that effective execution relies on human capital and the ability of individual employees and teams to translate strategy into successful performance at multiple levels of the organization.

The relationship between talent and revenue generation is clear when we realize that about 70-percent of a company's operating expenses are consumed by human capital costs and that employees are responsible for generating about 85 of company revenue.² Without maximum performance from talent, strategy is something that simply "looks good on paper." In the 21st century service-driven economy, about 80 percent of a company's assets have become intangible (company reputation, trademarks, client satisfaction so that human capital assumes even greater importance in the success of a company.³ While it is nearly impossible for every company to fully optimize its talent and there will always be at least some opportunity cost involved, the fact remains that when other factors of differentiation are accounted for (e.g. company size, location, economic conditions within the industry, etc.) employee performance remains the critical factor in determining whether a company continues to enjoy a competitive advantage within its niche.

An essential task for management is to address areas where there may be shortcomings in performance and develop a talent management strategy that will address these gaps. A key aspect of this strategy is to ensure that employees are placed in positions that will maximize their strengths. In this regard, talent management is not all that different from developing a game plan before a sports event. In each case, the coach and business manager need to position their talent in those roles that will allow them to utilize and develop their unique value in a way that ensures quality outcomes. Effective execution requires alignment of management and staff with regard to objectives, along with mutual engagement in a process to develop maximum performance.

Whilst it is easy to recognize that human capital is the driver of effective execution, the question becomes how execution can be implemented across different levels of the organization. The first step is for the company to place a value on transparency so that its vision and objectives are disseminated across multiple staffing levels. Staff can't be expected to perform in a vacuum but must understand their role in the greater scheme of things. One study found that 95 percent of employees don't understand what their job is and how it contributes to the company's objectives.⁴ Unless employees engage in work that *they* consider valuable in contributing to the company's goals, there will be disconnect between their efforts and desired outcomes in terms of overall strategy. In an article titled "Turning Great Strategy into great Performance" it was estimated that 37 percent of strategy is due lost due to misalignment between strategy and employee deployment.⁵

Research has shown that those businesses that utilize performance and talent management software to align their human capital with overall corporate strategy significantly reduce such misalignment and reduce opportunity cost to outperform their competitors. Software provides employers, regardless of their starting point, with a ready platform to translate strategy into execution by providing a blueprint in terms of several *Success Factors* for improved performance. This report will review how these success factors can help your firm invest wisely in its human capital to realize significant growth through enhanced productivity.

Recruitment Management

Recruitment is a critical step in ensuring the future success of your company. While effective recruitment practices can identify top talent that can ensure continued profitability, poor recruitment can result in losses over and above those of monetary nature, such as reputation and competitive edge. Recruitment and hiring costs are among the most substantial expenditures your firm can make so it pays to utilize tools that will increase the efficiency of the process. Recruitment isn't simply about having the right number of people on board, it is about ensuring that those people are placed in positions that are closely aligned with their knowledge, skills, and abilities (KSAs). How your company aligns, motivates, and supports its talent is the most important consideration when planning an execution strategy. While economic factors may be out of your hands, your company can control strategic implementation of talent resources to drive results that are aligned with strategic objectives. The collective efforts of all employees translate ideas into quantifiable results. The primary goal of recruitment is to hire talent that will help your company realize sustained revenue growth. When you invest in human capital, you are investing in your company's future.

Foster a recruitment culture

Creating a recruitment culture within your organization means that staff at all levels, from the top-down, become involved with the process. With this strategy, all employees become "ambassadors of your brand" by promoting your company to potential candidates. This strategy increases the pool of available talent since employees will have their own professional and social networks from which to recruit. Of course, for employees to be motivated to accept a recruitment mind-set, your company must first develop the reputation as an attractive place to work! This starts with a top-down employee-centric philosophy as is evidenced by the investment in talent management so that all employees are able to reach their full potential.

Optimize time spent on recruitment:

The first step with any recruitment program is to identify gaps in performance and addressing ways to fill those gaps with the best qualified talent. Identifying gaps is a simple process of comparing current performance with desired outcomes. For example, if sales are not where they

should be there may be a talent deficiency in this area that can be addressed by on boarding additional staff or promoting current employees with potential. However, before recruitment can begin, there first needs to be an evaluation of critical KSAs for top performance so that your company can develop an employee profile for every position. An employee profile covers such areas as defining success in the role; identifying essential KSAs, creating indicators of top performance, and an evaluation of how top performers create desired results. Once the profile has been developed, internal recruiters and hiring managers can create position descriptions that capture both essential and preferred KSAs for any given role. It is then a simple matter of perusing CVs for certain keywords that match these criteria.

Human resource software also allows your company to develop and maintain complete employee profiles both pre- and post-hire. Accurate and effective employee data gathering and management is essential in maximizing the productivity of your organization's workforce. The software helps ensure that vital information is captured so that your company can efficiently engage in the recruitment process and develop its current workforce. For example, the software can help your company determine whether a candidate possess the necessary skills, *Benefits of employee profiling software include:*

- Evaluate your entire talent pool
- Gain instant access to employee information
- Evaluate employee performance and potential thus driving both workforce planning and succession planning
- Promote social networking across the company and between co-workers
- Track employee activities to ensure alignment with objectives
- Instant access to employee profiles

As noted, recruitment strategy should also include such considerations as workforce planning and succession planning (i.e., recruitment with an eye toward each candidate's future career development with your firm). These factors are not mutually exclusive. When your company has

clearly defined goals for the future, it can plan accordingly and strategically develop those staff members whose skills and talents may be needed in different areas over time. Recruitment and hiring are costly and time-intensive processes, so it pays for your company to develop a proactive orientation to nurturing human capital resources.

Workforce Planning

Recruitment should be an on-going activity and not undertaken to simply “put out fires.” With workforce planning tied to recruitment, the company can plan for staffing gaps by creating a pipeline of viable candidates to fill areas of need. This also reduces recruitment costs in two ways: when you build a pipeline of candidates, there is less need to post costly job adverts or utilize outside recruiters.

Workforce planning software helps your company adapt the workforce to a changing business environment. The software provides the tools to help management make informed decisions based on workforce analytics that help you predict how organizational change will impact business strategy execution in terms of workforce productivity.

Workforce planning software promotes success through the following processes:

- Strategic Analysis: identify and evaluate future workforce scenarios based on organizational re-structuring.
- Supply and Demand Forecasting: project the size and shape of the future workforce required in executing business strategy, e.g., will the organization need to develop new roles, new departments, etc.
- Analysis of workforce risks that pose a threat to business strategy execution, e.g., employee turnover
- Strategy, Impact and Cost analysis
- Determine how to integrate workforce strategies into corporate strategies and how to define and measure success

Sourcing Strategy

Once your company has defined gaps in performance and created a candidate profile, the next step is to source viable candidates. Both traditional and Web 2.0 strategies can be used.

Traditional strategies include posting vacancies to major and niche job boards or working with recruiters. Your company can also integrate social media into the recruitment process by starting a dialogue and building relationships with thousands of potential candidates on such sites as LinkedIn.com. Social media is also a great strategy for facilitating communication with passive candidates that your company otherwise wouldn't have access to.

Talent Management

The human resource function has come into its own as greater numbers of small and mid-size business are embracing HR practices to foster improved performance and drive revenue growth. This has not always been the case as historically HR was the lowest department on the company totem pole, commonly positioned below such "vital" functions as marketing and sales. However, the essential fact missing from this hierarchical positioning is that it is *people* that drive success in all departments of a company. Any attempt to drive profit by ignoring the human capital component is bound to fall short of its strategic goals.

In today's business environment, human resources has been given new life in recognition that every aspect of human capital, from recruitment to performance evaluation, compensation strategy and succession planning need to be effectively managed to drive optimum profitability. Human resources is now perceived by most C-level and senior management staff as an important function in helping employees realize their full potential, thereby helping to move the entire company forward. Looked at differently, strategic HR initiatives help companies to reduce opportunity costs by ensuring that employees are placed in roles most suited to their talents and are then supported to realize maximum performance and productivity.

The past ten years or so have seen the emergence of a new trend in human resource (HR) referred to as "talent management." Talent management refers to those processes that maximize the performance and productivity of all employees. Talent management encompasses recruiting,

performance management, workforce planning, compensation strategy, and succession planning. The growing popularity of talent management arises from increased recognition by employers of the importance of human capital in driving growth and profitability.⁶ The primary mission of talent management is to place employees in those positions that are best suited to their skills and talents. Talent management methods increase the

probability that employees will display behaviors that align with strategic objectives of your organization. While a seemingly easy process, the fact is that it can be hard to predict and change employee behavior. The indirect relationship between talent management methods and behavior can increase the risk that talent management strategies fail to result in positive behavioral change.⁷ Effective talent management programs require that management gain a keen understanding of how the beliefs, values, and attitudes of employees translate into behavior.

We will review twelve fundamental principles of talent management (((as developed by Success Factors-APNOT SURE YOU WANT THIS HERE)))) that examine best practices of talent management from the perspective of how they affect behavior. These principles should guide the development and implementation of a talent management program within your organization. It will be necessary to revisit these principles when putting strategy into action to ensure that strategy translates into successful execution with employees.

12 Principles of Talent Management

The first four principles provide the foundation for effective talent management as they are particularly critical in fostering behavioral change. To emphasize their importance to the Success Factors model these principles have been given the acronym ROAD (Respect Objectives, Awareness, Dialogue) because they represent the path to maximize worker productivity.

The 4 core principles include:

- Respect Employees
- Clarify Objectives
- Increase Awareness

- Create Dialogue

The eight remaining principles for building an effective talent management program include:

- Maintain Accountability
- Integrate Development into Work
- Provide a Picture of High Performance
- Give Your Employees Visibility to One Another.
- Support People at Different Phases of Career Growth.
- Evaluate Potential and Experience.
- Help People Figure out What They Want.
- Create Processes that Strategically Engage People's Attention.

We discuss each of the 12 principles in greater detail below, including an explanation of why that principle is important in affecting behavior change.

Respect Employees

Respecting employees means being aware of their needs, interests, and goals. Employees will be resistant to making any effort at affecting behavior change unless they believe that the company has their best interests at heart.⁸ Respecting employees means understanding and appreciating their unique value and how that value can contribute to helping the company meet its objectives. One way of doing this is for your organization to support the professional and career development of its employees. At a minimum, this may mean offering adequate monetary and other types of compensation. However, employee job satisfaction is not tied to compensation exclusively.⁹ Recognition and reward programs also factor into long-term job satisfaction and retention.

The easiest way to ensure that employees feel respected is for management to take the time to listen to their concerns and issues, not only with regard to their job but with the company overall. Managers should provide suggestions regarding how employees may improve their performance to reach individual goals. Simply listening to employee concerns and offering guidance and support is usually sufficient to provide employees with a sense of respect.

Clarify Objectives

Clarifying objectives means providing each employee with clearly defined and *individualized* goals for performance. This ensures that employees are focused on the “right activities” rather than wasting time and effort on tasks that don’t add value in meeting strategic objectives. One of the most effective methods of maximizing employee productivity is to lay out exactly what your company wants them to do, along with a blueprint for action.¹⁰

It is important that your company fosters a transparent culture so that employees are aware of how their specific job contributes to the company’s overall objectives. Without such goal management, employees may spend too much time on the wrong activities. As noted, 95 percent of employees are uncertain of the relationship between their efforts and company goals. To foster change in this regard, it is important for your company to develop communication channels to review company objectives and monitor employee progress.

Individualized goal development needs to be carefully planned with employee feedback and input rather than a haphazard list of duties to perform. Most people do not like to be told what to do but prefer some input into their job. They want to be actively involved in deciding what goals are most appropriate given their skills and talents, combined with the company’s overall objectives. Employees can be provided with the opportunity to set their own goals and submit to management for approval. In this way, goals are communicated, revised, set, and monitored on an on-going basis. There are several strategies to assist with goal planning. One common method is the use of “cascading goals” software that provides management with the ability to develop strategic objectives and communicate (“cascade”) these strategies to employees at all levels of the organization. Individualized goals can then be developed that are aligned with these

organizational objectives. In this way, transparency is fostered in that employees understand how their unique efforts contribute to the total effort.

Establishing a formal process for discussing company objectives, creating individual employee goals, and evaluating their performance against anticipated outcomes, results in success for both the employee and company. There are several benefits of this approach:

- By sharing your company's vision with employees productivity increases since employees will be focused on the "right" activities
- Employees become engaged and energized by understanding how their efforts contribute to the "greater good."
- Fosters a culture of collaboration so that managers and employees share responsibility for meeting anticipated outcomes.
- Fosters a proactive approach to problem solving since managers maintain on-going communication with employees and are thus able to catch errors before they become major obstacles. Maintaining regular contact with employees also allows managers to engage in training and coaching to help employees successfully navigate through particularly challenging tasks. Managers are also able to provide continuous reinforcement to foster continuing employee engagement.

Increase Awareness

Most performance improvement occurs via a process of trial- and- error. However, learning from experience cannot occur unless employees understand the connection between their behavior and performance. Building a culture that will inspire and motivate employees to provide maximum effort requires receptive management, the development of an innovative culture where employee initiative is valued, and a methodology for providing timely and accurate feedback.

Providing timely and accurate feedback is the most critical but also the most challenging aspect of implementing an effective talent management strategy. Effective feedback is more than simply informing employees of what they did wrong and how to improve performance.

Feedback is about providing employees with information that helps them develop professionally by helping them see what needs to change *and why*. To be effective, feedback needs to *inspire* rather than simply inform!

Three critical components of effective feedback include:

1. Discuss employee behavior in a non-evaluative manner to impart information rather than suggest improvements.
2. Clarify how certain behaviors are negatively impacting performance and hindering future career growth.
3. Provide suggestions to employees with regard to how they may change or modify their behavior to improve performance.

While this may seem a daunting task, companies are increasingly using HR software tools, such as report writing aids and coaching programs to support these three components. The use of this software enables managers to provide quality feedback about how employee behaviors impede progress toward goals. Many of these tools provide employees with access to performance enhancing tips that enable them to put their manager's suggestions into action.

The benefits of such tools include:

- Report writing aides and coaching tools help managers deliver accurate reviews so that employees understand those aspects of their performance that meet and fall short of desired outcomes.
- Increases the quality of feedback that touches on different levels of performance (e.g., ability to follow direction, team-orientation, quality of work, timeliness, ability to adjust effort considering feedback, etc.). These tools also equip managers with the ability to provide 360degree feedback that includes a balanced perspective of each employee with regard to their strength and weaknesses, so they are able to develop a more accurate evaluation of overall performance.

- Targeted coaching provides managers with actionable suggestions for coaching employees on specific behaviors that negatively impact performance.

In the end, the quality and timeliness of feedback is what motivates employees to the largest extent. To be able to provide such feedback, managers should strive to maintain a consistent presence with an open-door policy. Fostering a timely and relevant feedback loop increases employee job satisfaction and reduces turnover, thus saving a company both real costs in terms of recruitment and hiring, as well as opportunity cost in terms of lost productivity due to job vacancies and training new staff.

Create Dialogue

The most effective method in fostering behavioral changes is for managers and employees to engage in substantive discussion regarding the critical issues surrounding performance. These discussions permit managers to clarify areas in need of improvement and permit employees to specify the resources they will need to be successful. These conversations also serve to develop a stronger bond between management and employees which can then inspire employees to engage in the process of improvement in performance.

In recognition of the importance of dialogue in fostering maximum productivity, companies must strive to identify methods of keeping the lines of communication open. Company vision must be shared with those who are going to implement it. Technology is helping in this regard by providing managers and employees with tools to exchange information about goal setting and particular challenges in meeting performance objectives. One of the risks of technology is that it becomes a substitute for on-going face-to-face meetings between managers and employees. However, when used efficiently, technology can help to improve interaction among managers and employees by reducing the time needed for administrative tasks. Maintaining on-going communication helps managers keep an “ear to the ground” in terms of both performance and morale.

Goal management software allows your business to:

- Stay focused and stay on task

- Easily set and monitor goals and objectives
- Share goal directives company-wide with employees at multiple levels
- Track employee performance on projects from inception to completion
- Perform continuous progress evaluation
- Provide guidance and coaching regarding employee goal setting
- Evaluate individual goal contribution to project objectives

- Integrate short and long-term goals with project calendars and performance analytic tools

Maintain Accountability

Talent management programs that maintain accountability improve workforce productivity in two important ways: first they align performance with company objectives by establishing a connection between work effort and reward. This requires the implementation of processes that tie performance with compensation, career growth, and other reward systems.

Maintaining accountability also increases employee loyalty and commitment by fostering a work culture that is perceived to be fair and based on objective measures of performance. Employees evaluate the fairness of a company in three primary ways: 1) are reward relevant to their needs, 2) are performance metrics applied consistently across all employees of the organization, 3) does management treat employees with respect.¹⁹ Of these three, the first seems the least important as the actual reward employees receive has less of an impact on their sense of fairness than their perception that performance evaluations are objectively allocated and scope of reward tied to performance.

To be most effective, methods used to establish employee accountability must employ a 360-degree perspective and reinforce and reward all of the skills, competencies, and tasks associated with successful performance. Reward systems that are based on only a few parameters of performance may be ignoring more important aspects of the job. For example, rewarding a salesperson based on meeting quota rather than other important aspects of performance, such as customer satisfaction and ethics. Such limited perspective runs the risk that your company rewards people for the “right” results but obtained in the wrong way! To avoid this predicament, utilize a 360-degree system that links rewards to multiple aspects of job performance (both skill- and behaviorally based).

Business execution software makes it possible for your organization to easily obtain a 360-degree perspective of an employees’ strengths and weaknesses by allowing for more accurate evaluations of total performance. Such software will allow your company to:

- Design a named or anonymous feedback system for peers, managers, customers, or strategic partners
- Solicit more candid and objective responses from raters due to the anonymity of the system
- Assist raters in writing and developing their survey responses
- Acquire a more complete (360- degree) picture of overall employee performance and development
- Identify hidden strengths and weaknesses within your organization

Develop a plan of action for goal management and performance improvement

Integrate Development into Work

Many companies make a false distinction between performance and career development. However, career development should not be viewed as something done outside of work but made part of the job itself. If not done this way, many employees put a career development plan on the “back burner” to focus on day-to-day tasks. While most employees perceive career development as important, it is an intangible element when compared with the tasks at hand.

The best way to foster career development is to assign employees with goals that can only be accomplished by building new skills, knowledge, and competencies. The company must then commit to helping employees develop these new competencies and skills. This support may be in the form of coaching, training materials, and seminars that will help employees develop new capabilities on which to build future success.

The creation of learning and development software allows your company to engage in effective succession planning by tailoring learning tools to those skill sets that are most critical in enabling employees to assume new roles within the organization. In this way companies are able to maximize the full potential of the software.

Learning management software can help your firm to:

- Define employee’s current role and develop a plan for future success within the corporation
- Improve skills to face future strategic challenges

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- Create custom training and learning activities
 - Outline criteria for raises and promotion
- Quickly identify skills and shortcomings
- Locate and optimize learning and training capital

Provide a Picture of High Performance

One of the most effective methods of improving performance is by employees watching and emulating those who excel.¹¹ This is commonly referred to as “social learning”, and it is a proven fact that role models provide tangible evidence of what high performance looks like and inspires others to achieve similar levels of performance. Pictures of high performance should include three criteria. First, they must illustrate the multidimensional nature of exceptional performance since there is always more than one “right” way to succeed in a given role. This helps employees avoid focusing on a limited set of behaviors in trying to improve performance. For example, the computer expert who is unable to explain complex concepts in layman’s terms. Second, they should include clear explanations of what exceptional performance is and how it differs from mediocre performance. Pictures of performance should clearly communicate the behaviors that the company wishes to see manifested in all employees and how these are different from ineffective behaviors. They should also incorporate language that is meaningful to the employees, so they perceive the relevance to their own role.

Third, pictures of performance should include the multi-cultural nature of the work environment since role models are most effective when they closely resemble the people who are to be inspired.¹²

For maximum effectiveness, a blending learning strategy can be applied. With this method, the use of role models is combined with other learning tools. One common method is for your company to create detailed rating scales that illustrate what high and low performance looks like for different roles within the company. The most effective models use behavioral examples that closely exemplify the behaviors associated with each employee’s job. They describe optimum performance in the same language and terms that employees are familiar with.

- Another method in a blending learning strategy is to share stories that illustrate exceptional performance. These stories provide employees with insight into the different competencies

needed to maximize their own performance. Stories provide employees with a picture of high performance that is relevant and meaningful to their own work.

Give Your Employees Visibility to One Another

When your company fosters a culture of teamwork and employees perceive their peers as friends, they are usually motivated to support the company as a whole. However, as companies grow employees may lose their sense of “connected-ness” to their peers. This loss of community can result in decreased cooperation, collaboration, and retention. In some ways this loss of connected-ness is a natural outgrowth of company expansion. As companies grow, people are necessarily limited in terms of the number of people they are able to interact with on a day-to-day basis. The inevitable result is that departments set-up invisible barricades and become islands unto themselves which serves to reduce a team orientation and foster alienation.

Talent management programs make it easier for employees to connect with their peers who share similar interests and goals, thereby retaining a sense of community. The more people can perceive co-workers as individuals who they can relate to in some way, the greater the sense of camaraderie.

To foster a sense of community, many companies are using internal social networking technology to establish linkages among employees. Like Facebook, these tools provide a method for employees to share their stories and interests company wide. This software, entitled “Cube Tree” allows employees to connect, collaborate, and communicate online. Thus, employees across the aisle or across the globe can establish fruitful connections and help one another improve performance. This secure social network also allows your company to disseminate important information to all employees.

Benefits of Cube Tree include:

- Allows employees to create profiles, subscribe to feeds and post Twitter-like micro-blogs (such as Twitter)
- Share ideas across all levels of the organization
- Connect with one another more efficiently

- Blog, chat, and share updates and links

In short, Cube Tree provides your organization with a fast and efficient method to foster communication among all employees.

Support People at Different Phases of Career Growth

Career development is an on-going process, with the interests, needs and goals of employees changing as they progress from one phase to the next. As such, talent management programs will not be applied in the same manner across different demographic groups. For example, talent management strategies that are appropriate for a new college graduate will not necessarily be sound policy for a 57-year-old senior executive with 35 years of work experience.

An effective method of maximizing workforce performance and productivity is to tailor talent management strategy to different career phases. Admittedly, many South African employment laws designed to reduce discrimination based on age, race, ethnicity, and family stats can present challenges in the modification of talent management strategies to suit different career stages. One method that companies have employed to adapt talent management strategies to different career stages is through the re-structuring of job responsibilities. An example of this is job sharing for younger workers who may be new mothers and wish to scale back to part-time employment. With job-sharing, two part-time employees carry out all the duties associated with a given job. Telecommuting may be a second option for those more mature employees who are charged with caregiving responsibilities for an aging parent.

There are many ways that companies can accommodate the needs of employees at different career stages. What is most important is that your company remains flexible and willing to accommodate the needs of employees as they progress through each stage of their career.

Evaluating Potential and Experience

The goal of such talent management strategies as staffing and succession planning is to anticipate what employees may be capable of doing if placed in certain roles. There are two methods of doing this. The first is to consider past accomplishments and current performance and use this to predict future performance. This method relies on the assumption that one of the best indicators

of future performance is past success in similar situations.¹³ However, the limitations of this approach is that succession planning tried to predict success with tasks that the employee may never before have had to perform. For example, it can be difficult to judge whether an employee possesses leadership potential if this person has never had direct reports.

Another method to predict future performance is to use psychometric assessments that measure underlying personality traits (e.g., leadership, initiative, aggressiveness, team orientation, etc.). When used correctly, such assessments provide the single most accurate prediction of future performance. To make the most of the results, you will first have to establish the critical success factors of leaders within your firm. After all, it does no good to gather results, if you don't know what you're looking for!

Consider the array of assessment batteries that the U.S. military administers to new recruits. Most new recruits have little work experience so it becomes challenging to place them into positions that will maximize their unique talents and abilities. To address this situation, recruits are given an extensive battery of tests designed to measure their aptitude for performing different types of work. For example, those with analytical and logical abilities may be assigned to work as cryptographers, while those with an aptitude for mechanical work are steered into maintenance and repair of vehicles and equipment. Similar methodology has been employed by many companies for a variety of talent management strategies, such as screening candidates for various roles, as well as identifying and developing potential leaders.

Succession planning also enhances employee retention as one of the most commonly cited nonmonetary rewards in determining job satisfaction is the opportunity for professional and career advancement.

However, employee advancement can only come about with proper professional development programs in place. It is unrealistic to expect that employees can simply jump into new roles and perform successfully—especially if they have never handled similar responsibilities.

Evaluating either a job candidate's or current employee's potential to fill new roles needs to be an important part of a professional development policy. Recently developed software can help make the process less painful and much more rewarding in that your company will be able to

target the most promising talent. Being able to quickly react to unexpected situations (such as resignations) is crucial in helping your company stay on course in terms of business execution.

Human resource technology provides the tools and methodology to address this challenge efficiently and accurately.

Such software can help your company in the following ways

- Gain insight into a candidate's background, experience, expertise, and performance history
- Prepare you for key changes at multiple levels of your organization
- Broaden the talent selection pool
- Promote the right talent using side-by-side comparison, i.e., evaluating different employees that are performing the same or similar roles

Help People Figure Out What They Want

Top performers in any organization are those who take the initiative to go the extra mile in meeting performance expectations. The good news is that this mindset is not limited to a select few but can be adopted by all employees by fostering a culture of excellence throughout your organization. Former GE CEO, Jack Welch in his best-selling book, "Winning," has stated that the goal of every organization should be to motivate employees to give 110 percent effort, not because they are told to, but because they want to.¹⁴ Employees reach optimum performance when they are placed in roles that provide a good fit in terms of their talent and interest.

The glitch is that, many times, employees are simply uncertain about what they want to do. There are several reasons for this. First is that employees who are just starting out in their career do not have sufficient experience behind them to adequately judge where true interests lie. Second, most people tend to evaluate work based on compensation potential without due consideration given to actual job duties. While the career of attorney may sound appealing with all the intrigue of television courtroom dramas, until you realize that many more hours are spent performing laborious research, conducting depositions, and filing motions than are actually spent trying the case. Third, people are often unaware of other career options just outside their range of

experience. There may be jobs that are highly suited to their particular skills, interests, and abilities but if they are not exposed to these opportunities, they won't be able to consider them as career options.

An important aspect of talent management is helping current employees and job candidates to become aware of different career paths within your company that closely align with their talents, interests, and goals. There are several blended learning methods that may accomplish this. One strategy is to post short videos to the company Web site wherein employees discuss their job and critical success factors. This enables employees and candidates to envision what this job would be like and see themselves in that role. This vision may act as a powerful mechanism for direction their career choice.¹⁵

Another strategy is to administer skill and interest inventories to help employees and candidates clarify their interests and goals. These assessments help each to clarify the job tasks they most enjoy, along with their preferred work environments. A third method is to partner employees with peers who are doing different types of jobs. The benefits of this are two-fold: it helps the employee better understand the work involved in different career paths and 2) fosters collaboration among diverse teams.

Create Processes That Strategically Engage People's Attention

Repetitive tasks cause a cognitive shift in thinking, from engaged and "controlled" in which we pay close attention to our actions, to an automatic process whereby we simply repeat behaviors we have done before, giving little thought to our actions.¹⁶ Think about when you were learning to drive a car. At first you overanalyzed the process to the point of near catatonia. As you repeated the various steps, the process was stored in long-term memory so that driving became automatic or "second nature" to the point where you may now drive while simultaneously engaging in a conversation with passengers or eating a burger.

The cognitive shift from controlled to automatic thinking occurs with any task you perform repetitively. The main benefit of automatic thinking is that it frees up head space so we may focus on other things. The primary disadvantage is that it makes us less attuned to the task at hand. This can be a good thing especially regarding activities that are more administrative than

strategic in nature. Standardization is also a benefit when people need to get in the habit of performing certain activities on a regular basis (preparing quarterly financial statements or performance reviews). Standardization becomes problematic when it is applied when people should be attending fully to the task at hand (calculating quarterly financial data).

Many talent management strategies could benefit from some degree of automation. However, careful thought needs to be given to balancing the efficiency of automated processes against the benefits of deliberate action that necessitate a greater degree of mental acuity and alertness.

Compensation Strategy

Most successful companies understand that outstanding performance needs to be rewarded appropriately. Indeed, it has been shown that a critical factor in fostering employee retention is recognizing and adequately compensating the top performers of a company. According to Giga Information Group, retention can be increased by 27 percent by implementing a pay-for-performance methodology.¹⁷ Pay-for-performance allows your company to communicate its appreciation of superior performance by linking compensation to value. In this way, compensation structure can be a powerful motivator to performance.

Most senior executives consider pay-for-performance to be the #1 tool for maximizing financial returns. Today's HR technologies provide managers with all the information they need to make accurate decisions and reward the "right" employees for performance—360-degree feedback, performance evaluation, and goal alignment metrics, writing aids, and coaching programs.

An effective compensation management software program can help your company sidestep common pitfalls in tying reward to performance (i.e., reward the "right" behaviors), retain high-performing staff, and foster increased productivity.

Benefits of a compensation software program include:

- Optimize budgets
- Increase talent retention
- Save time and money using an easy-to-use automated system

- Quickly determine appropriate compensation
- Decrease administrative drain
- Boost productivity
- Align performance compensation with company goals
- Weed out low performers
- Streamline the compensation process
- Establish a direct link between pay and performance
- Readily identify who your company's top performers are and who is contributing most in meeting company-wide objectives
- Monitor actual employee performance against established goals
- Foster job satisfaction and employee retention (and reduce hiring costs) by recognizing and rewarding stellar performance.
- Reduce instances of overcompensation where work effort is not aligned with expectations

Implementing a pay-for-performance structure does not directly lead to enhanced outcomes.¹⁸ These systems work best when 1) employees view the rewards as adequate compensation for their efforts, and 2) employees feel confident of their ability to accomplish the goals that have been established. If neither of these conditions is met, pay-for-performance can actually alienate employees and result in reduced productivity.

Analytics and Reporting

Business execution technology can help your company manage the entire employee life cycle, from initial resume screening to employee testing, performance management, compensation strategy, goal alignment, succession planning, and retention. Yet, many organizations continue to rely on outdated methodology, with the result that they experience recurrent shortfalls in meeting desired outcomes, not to mention an on-going brain drain of talent. It's not too far-fetched to state that technology can transform your business from an "also-ran" to top competitor within its niche.

Senior management must also be able to assess the organization's strengths and weaknesses so that it can adapt its processes for better outcomes. Once information is collected, it can be compiled into a comprehensive report containing suggestions for translating strategy into action.

This is most apparent in performance reviews. Once a dreaded task, performance reviews may now be easily accomplished with the aid of technology so that the process is streamlined and cost-efficient. In short, technology provides a win-win situation for all parties in three ways: 1) employees who receive accurate and timely feedback; 2) managers are able to devote a greater amount of time to employee coaching and performance monitoring so company goals can be actualized; and 3) the company as a whole benefits since recognition and reward programs foster retention and reduce recruitment and hiring costs.

Additional benefits of automating performance evaluation include:

- Enables managers to easily implement performance management tools
- Foster transparency by enhancing goal visibility across all levels of your organization and boosting shared accountability among managers and employees for achieving outcomes
- Enables management to interpret and use data more effectively and efficiently to gain important insights about company and individual performance
- Ensures compliance with best practices and fosters employee engagement and participation in the work effort
- Reduces the needs for time-consuming paperwork (and is "green friendly")
- Strengthens management skills by improving the quality of feedback by targeting the most critical areas of performance in need of improvement
- Provides honest, objective, and timely feedback to employees
- Improves your company's bottom line by reducing recruitment, hiring, and training costs
- Provides the ability to efficiently address areas of concern with the overall corporate structure

- Intuitive usability thus enabling managers to quickly locate important information
- Information may be relayed in real-time thus fostering timely evaluation and correction of performance
- The ability to cross-reference information, such as employee training and performance

Whilst the HR function has come a long way, there is still some distance to travel. Human resource professionals across companies of varying sizes in diverse industries consistently point to the need for providing line management with insight into their accomplishments in terms of performance improvements. Managers need both quantitative and qualitative data to justify the company's investment in technology to boost the potential of its human capital. Since line management is the staff who implement this strategy with employees, it is only with their buy-in that results can be realized.

Conclusion

The nature of the global business environment is constantly changing. As a result, business models that may have worked well in the past are quickly becoming outdated due to advances in technology and shifts in the world economy with the emergence of new markets. The only constant in this changing landscape is a company's reliance on people to execute strategy and realize both short and long-term goals. In effect, talent is the common denominator in the success of all organizations. While technology has replaced workers in some occupations, it will never be able to replace workers in others. This is especially the case in a service-driven economy where interpersonal interactions are critically important in building and maintaining company brands.

While there are a few fundamental principles by which all businesses operate, there are many more fundamental principles regarding the role of employees in fostering business success. This report has discussed several areas of operation from the perspective of how they impact talent management strategies. The ideas discussed in this report are not new but derived from extensive research regarding best practices regarding employee motivation and productivity. Although these are established concepts, many organizations continue to fail in incorporating these

principles into their talent management strategy. In many cases, this is because the task can seem overwhelming so that it can be difficult to know where to begin.

Rather than focusing on building comprehensive talent management systems that develop and reinforce all of the fundamentals, those companies that are exploring the implementation of talent management often focus on such *separate* components as training programs, evaluation tools, or technology. However, integration is key to building an effective talent management program.

A company focusing on the integration of fundamentals will make the process much less intimidating and lead to better results in terms of enhanced workforce productivity. In this sense, we might draw a comparison between the talent management industry and the web design industry. Both industries are chock full of suppliers promoting new products, books, and technology that purport to drive impressive results and catapult your site to the top of Google rankings. But those who succeed in meeting goals and realizing continuing improvements are those that focus on the fundamentals. For web design, these fundamentals include content and usability. Fancy widgets and flash design, while fun, contribute nothing in value-adding to your organization's essential message. For talent management, the fundamentals are each of the areas outlined in this report. If your company creates processes that tie-in, reinforce and support these basic principles, it is assured it will realize lasting improvements in workforce productivity. It may not happen overnight but there is something to be said for successive approximation!

Recently developed software, such as Success Factors, provides your company with a ready-made system to implement a successful talent management program. Success Factors break the talent process down into manageable steps to help your company manage and optimize the performance of its workforce. Not only does this results-based software allow your company to measure the performance of its top producers, but it also lets you know who's not measuring up.

In short, SuccessFactors allows both owners and managers to better address each of the critical areas of talent management: recruitment, goal alignment and management, compensation and reward, performance evaluation, pay for performance, enterprise collaboration, and workforce analytics

As compared with other talent management software programs, SuccessFactors is used by more than 30 Fortune 100 companies, has a 95% customer renewal rate and is recognized by top analysts as the global leader in business execution and talent management software. It has the largest and most sophisticated software as a service (SaaS) platform in the world with more