

TALEO RESEARCH **WHITE PAPER**

Talent Management

The New Business of Business Leaders

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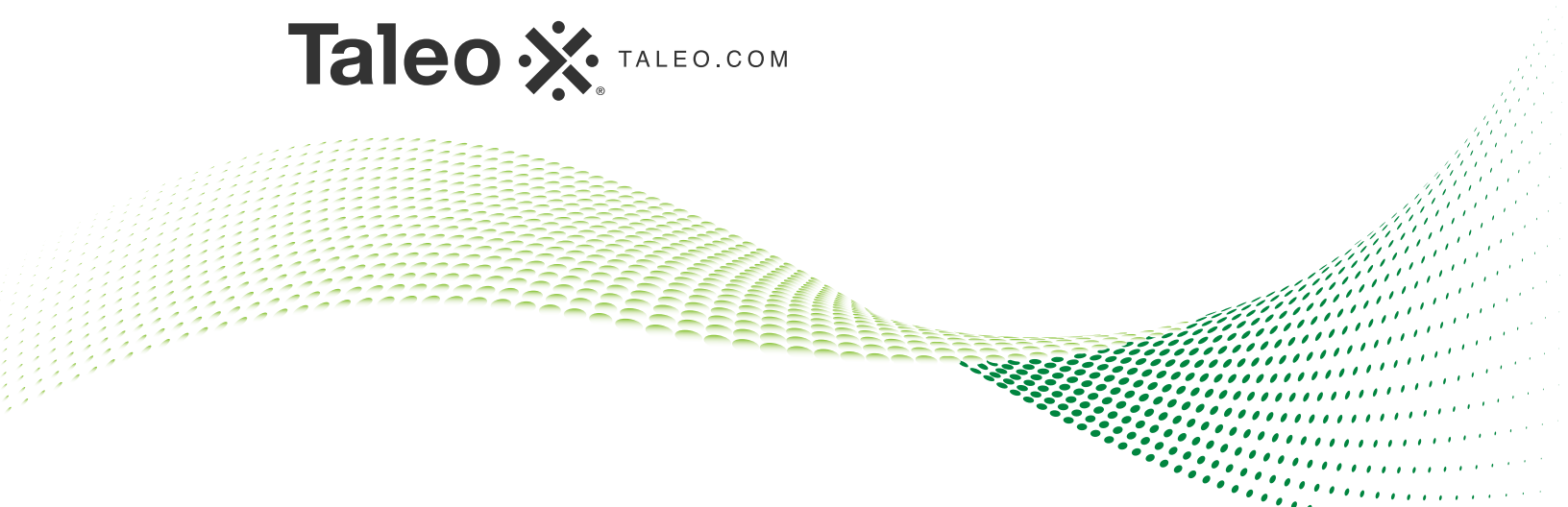


Table of Contents

Talent Practices That Fuel Business Success.....	4
Hiring and Staffing.....	4
Onboarding.....	4
Performance Management and Compensation	4
Learning and Development	4
Succession, Career Planning, and Talent Mobility	5
Key Enablers to Support Talent Management for Business.....	5
Data	5
Insight.....	5
Decision Support.....	6
Summary.....	6

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In the new millennium, leading business organizations have been capturing data about people, turning it into actionable information, and making business personal. From customer relationship management and targeted consumer advertising to company career sites and performance reviews, using software to know people at a personal level has been proven to drive business success. This personally focused business intelligence is the basis for billions of transactions and decisions by millions of people around the world.

As individuals, we move through a consumer world fueled by constant innovation. We Skype on our iPads with old college friends we found on Facebook. We record HD videos on smart phones and share them on YouTube with the click of a button. We order billions of dollars of merchandise through eBay based on reputation and billions more from Amazon based on recommendations. In the workplace, 80 percent of company valuations are now made up of intangible assets created by individuals working as teams: know how, patents, unique intellectual property, secret sauces, and innovative ingredients.

We live in the Age of Talent where people are the business differentiators that power innovation in design, IT, supply chain, process, training, networking, communication, content, and everything else. The list is as long and as varied as business itself. People are the difference and talent management is the business strategy. Talent intelligence insights provide the information you need to truly know the people who drive your organizational success and unlock the power of your people.

Who provides the key to unlock that talent? You. You are the line of business leader who hires the talent, gets the talent productive, develops the talent, moves the talent around, pays the talent, and manages the performance of the talent. As a business manager, you are the one who makes the talent decisions every day that lead to business success.

How important is your role in managing talent? Organizations characterized by a tight alignment between human resources and lines of business earn more than twice the revenue per employee as those organizations where human resources and business run separately according to The HR FactBook 2011 from Bersin & Associates.¹

On a more personal level, your success or failure in driving key talent functions is the single biggest contributor to your success as a leader. In fact, a recent study by The Conference Board found that executives who focus on their “talent management strategies ... generate as much as a 7% boost in revenue and profit performance over their less talent-focused peers.”²

Over the course of this white paper series, we’re going to explore the role of business leaders in driving talent management functions with a particular focus on the tools and approaches that will make them successful. Future papers will address Hiring and Onboarding, Learning and Development, Performance and Compensation, and Succession and Talent Mobility.

In this paper, we summarize the importance of these issues to business leaders and suggest a toolset framework that’s designed for people and built for business.

¹ <http://www.bersin.com/Store/Details.aspx?docid=103314059>

² <http://www.executiveboard.com/executive-guidance/2011/Q1/>

Talent Practices That Fuel Business Success

Hiring and Staffing

As Jack Welch famously noted, “The team with the best players wins.” As a business leader, you are only as good as the team you lead. Hiring the right people can be the difference between success and failure, mediocrity and greatness. The right hire can be a force multiplier on a good team or the beginning of a rebuilding effort on a weak one. Of course quality of hire doesn’t mean much if you have positions that remain unfilled for months at a time. Balancing quality of hire with the speed of hiring is a key issue for line of business leaders. Smart leaders are also actively involved in crafting job descriptions, providing context and color around the job requirements, and sharing recommendations regarding sourcing strategies.

Onboarding

Once you’ve secured a commitment from a new hire, a quality onboarding program can prevent quick quits and improve time-to-proficiency. Faster time-to-proficiency means more product developed, more services delivered, more orders filled, more deals in the pipeline, and more marketing activity. Managers rely on HR to onboard new hires but leaders recognize that meaningful onboarding happens through the creation of connections between new hires, peers, and the broader organization. You get accelerated goal alignment with existing initiatives, immediate education and training for new business systems and processes, and direct knowledge sharing between new hires and existing team members.

Performance Management and Compensation

While the quality of your team members and how fast they contribute to your success are critical, the ongoing performance of your team is the key barometer for your own personal evaluations by upper management and your peers. Goal alignment, frequent performance reviews and coaching, and compensation and reward strategies are your main tools to drive performance. When done right, these talent management components can have dramatic impacts on revenue: high-performing teams have been shown to generate as much as 30 percent more revenue per FTE than average teams and significantly better return on assets, return on investment, and return on equity.³

Learning and Development

Another key talent management leadership skill is your ability to grow and develop your team. Often this growth is reactionary in response to changing business conditions, new business strategies, or competitive pressures. Other times, it’s more proactive and designed to support employee career aspirations, mastery of a particular domain or skill, or prerequisites of succession planning. Whatever the cause, leaders who consistently develop high quality teams are often highly regarded by peers and by C-level executives, most of whom now recognize that:

“The most significant contribution leaders make is not simply to today’s bottom line; [but] to the long-term development of people and institutions so they can adapt, change, prosper, and grow.”

—*The Leadership Challenge*, Kouzes and Posner, 2007

³ <http://www.thezeihs.org/BandE/bande43/43n1/highperf.htm>

Succession, Career Planning, and Talent Mobility

While an investment in the growth and development of team members provides value to your area, it's also valuable to the organization as a whole. Leaders who have a ready supply of successors groomed by strong talent development efforts contribute talent across departments and geographies, enabling the organization to more rapidly mobilize talent to fill business needs. Business leaders who can effectively balance business objectives with talent mobility strategies are more highly regarded by both senior executives and peers.

Key Enablers to Support Talent Management for Business

Your tool for talent management success is talent intelligence: data, insight, and decision support at the point of action.

Data

With Google, Facebook, and LinkedIn, we live in a world of instant access to information about people. Unfortunately, business-relevant talent data is often not readily available inside the business. In fact, many managers can find out more about their candidates and employees through online searches than they can through work systems.

Successfully managing talent depends on the capture, aggregation, and consolidation of relevant personal data into one common profile and one data set. Talent profiles need to include pre-hire data like work history, previous roles, and accomplishments; core HR data like job role, pay grade, salary, and reporting relationships; talent management data such as performance review history, flight risk, potential, goals, and career aspirations; and social data from sites like LinkedIn or data supplied directly by the employee to describe key skills and expertise. More data means better talent decisions and an improved ability for business leaders to realize their missions.

Insight

While data itself can be powerful, particularly when the right data is captured, it's equally important that business leaders get support in connecting the dots. Managing talent is a means to an end for business professionals, not a core job function as it is with HR. Tools and interfaces that help leaders develop insights from the data are essential. For example, business leaders can't be expected to correlate multiple reports to determine flight risks assigned to critical projects with no identified successors. Nor should they be expected to separately search for skills and competencies they need among employees and candidates. Talent software tools should provide these insights by weaving together the relevant data elements that help managers make more informed decisions.

Decision Support

Key elements in real-time decision support for leaders are the embedded interface insights mentioned above. Equally important are analytics that enable leaders to see meaningful connections between seemingly unrelated talent management data points such as:

- ›“Programmers with a background in classical music are some of our most innovative contributors.”
- ›“New hires who do a rotation in the call center outperform their peers in customer satisfaction metrics.”
- ›“John’s performance reviews and work history make him the perfect candidate for a leadership role in a new division.”

Decision support for leaders also needs to happen in context and in the workflow on email clients, iPads, and related business systems. As much as possible, talent insights and the resulting actions need to be presented to the business leader on their terms. Processes, workflow, and data need to adapt to a leader’s needs rather than the reverse. Ultimately, talent intelligence for business leaders is about delivering insight at the point of action.

Summary

With ever faster business cycles and a growing awareness of the value of talent to business success, business leaders are driving more core HR functions than ever before. For innovative leaders, talent management has become the new business of business. And study after study validates that this closer alignment drives performance, profit, and shareholder returns, while also fueling the careers of talent-focused leaders.

The availability and quality of talent intelligence—employee data, insights, and decision-support tools—is the key enabler of business-led talent management. Business leaders are important stakeholders in decisions regarding talent management and have a vested interest in the related software solutions. Given their increasing role in critical talent management functions, it’s only natural that business leaders must have more say in selecting solutions that address real business needs.



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