

WHY YOU NEED A LEADING EDGE TALENT MANAGEMENT STRATEGY (AND WHY TECHNOLOGY PLAYS A CRUCIAL PART)

INTRODUCTION

The topic of Talent Management has been getting the limelight recently in HR press as the competition for 'people' heightens. Competition for talent has intensified as a result of an increasing shortage of skilled, experienced people in the talent pool, that can also satisfy the requirement for fitting into the company culture and remaining engaged.

Talent Management often poses challenges for many organizations that struggle to get it right; some attempt to automate it, some evaluate trial and error, whereas others shy away when they are unable to discover a tangible starting point.

Having a well thought out Talent Management strategy should bind all the multi-faceted elements that allow business execution, alignment with strategic organizational goals and course corrections. Not having a Talent Management strategy in place is no longer an option, and frankly, it can have negative consequences for the business.

Spotlight on Medium-sized Enterprises

Our research and experience tells us that Talent Management challenges are bound to happen regardless of the size of the organization. Attracting, developing and

retaining the right leadership and staff is a challenge that is spanning all organizational shapes and sizes. Medium-sized companies may have added pressure to attract candidates, given factors such as scale, name recognition and resources.

You wouldn't dream of going to market without having a sound Sales and Marketing strategy. In the same way, you should have a Talent Management strategy in place to acquire, develop and retrain your workforce of the future.

When it comes to developing a Talent Management strategy, Talent Acquisition is a good place to start, as improvements here will filter through to Employee Experience; but in order to have effective Talent Management, you need to position them both well.

This paper covers the reasons for having a Talent Management strategy, the outcomes of executing a poor strategy, and how to build the foundations of your strategy.

REASONS FOR A TALENT MANAGEMENT STRATEGY

At Skilo, we are pro-Talent Management. We are approached by many organizations that want to know how they can progress their Talent Management in the

best way possible. We have lived in the HR and Talent Management trenches, seen the good, the bad and the ugly. Through our experience, we have defined a Talent Management strategy and have attempted to capture its crux:

A sound Talent Management Strategy focuses on finding, developing and engaging top talent by leveraging technology (or technologies) in order to reinforce your company's business goals, considering opportunities and challenges that arise in both the short - and long - term.

Here are 3 good reasons why you should define a Talent Management Strategy:

1. Business Growth

There is a phrase that is often quoted: *"People are your most valuable asset"*. The people you chose to hire are a key factor that determines the success of your business. Hiring strong people in the first place maximizes the chances of company goals being met. High performing employees are the ones who are the right fit, in terms of both qualifications (on paper) and motivations (in person).

Providing growth and stretch opportunities to employees allows them to become part of the business growth resulting in engagement and pride.

2. Cut the Cost of Loss

Should an employee make the decision to leave, not only does it cause disruption in the team, but it also comes with a financial cost.

It is expensive to replace and train employees. On average, it can cost anywhere from 6 to 12 months' salary to replace (recruit, hire and train) a new employee, and even more, if you are seeking out thought leaders to join the business. This turnover cost can add up quickly, particularly in companies that have high attrition rates.

3. Get Ahead and Stay Ahead of Competition

The reality is that there is a shortage of skilled, experienced workers, and the pool to pick from is only getting smaller as the perfect combination of skill-set and cultural fit matters more.

The creative thinkers and future thought leaders, mentioned above, will take your business to the next level; but, of course, they are the people that every business leader wants on their team. Resource 'poaching' has become more commonplace due to the smaller talent pools, but employees can deploy creative talent acquisition strategies to attract talent organically, rather than getting involved in an offer-counteroffer conflict with competitors.

THE OUTCOMES OF NOT HAVING A TALENT MANAGEMENT STRATEGY

If the reasons why you should define a Talent Management strategy aren't compelling enough, we can look at it from another angle.

Fast forward three years. The year is 2020: Artificial Intelligence (AI) has taken off, flexi-offices are the norm, and Millennials now make up more than half the workforce.

If Talent Management in your organization has been managed in a passive, or even non-existent, way - what could this leave you with?

1. Higher attrition rates

Higher attrition may indicate several issues that need to be addressed by management, but in the immediate term, it can cause lower morale in employees, and in turn, can impact productivity, leading to higher costs.

2. Misaligned workforce

Employees that have been hired with inadequate skill-fit and/or culture-fit, have challenges aligning with the overall business objectives, leading to blockages in communication and socialization, inevitably leading to an incongruent workforce - one that just doesn't fit together.

3. Less engagement

People that don't have a purpose, direction or pride in their work will likely not succeed in their careers. No sense of accomplishment is not going to drive development, in either people or the business.

4. Power of social media

Organizations may be under more scrutiny from the public given apps, such as Twitter and Glassdoor, amongst others. Disengaged employees can start to vent on public websites, which can start a downward spiral for the company's reputation.



It's a bleak future in our hypothetical organization of the future here. It is a frightening prospect for any business owner or leader, so it did not surprise us when Harvard Business Review found that managing talent has ranked in the top three, if not top two, issues that have caught the attention of CEOs¹.

PIECING TOGETHER YOUR STRATEGY

„84% of medium-sized companies do not have a well defined Talent Management strategy”².

Were you aware of this? This should be a wake up call.

Now that we outlined the strategy-absent outcome, we can look at steps to take in order to prioritize Talent Management. Remember, the aim is to execute a strategy that is both impactful and sustainable in relation to your available resources.

In this next section, we break down the core elements of your future Talent Management Strategy, and show why technology is an essential piece that can't be compromised.

Reverting back to Skilo's definition of Talent Management strategy, we can determine that the strategy should:

- find top or suitable talent;
- develop that talent, and;
- engage that talent

in order to retain that talent. However, you need to lay the foundations first.

1. Goals & Objectives

Goals are the bold statements that capture your desired business state. Objectives are specific actions, or steps, the organization will take in order to achieve those goals.

The Talent Management strategy should tie in to the overall company goals and objectives. For example, your Recruiting strategy should clearly outline: how many new hires you plan to hire to meet specific company goals, where you will source the talent from, and by when these new hires need to happen.

2. Unique Selling Point (USP)

You may have a USP for your product or service, but do you have one for your organization? Just as a USP will tell people why they should purchase your product/service from you, as opposed to someone else, you should ask yourself these questions:

- What makes your organization stellar?
- What can your organization do for it's employees?
- Why should people work for you above others that do the same thing?

Answering these questions about how your organization will show you how you are perceived on the job market. Another term often used for this is 'employee-branding', because, essentially you are providing not just a job, but experiences and development opportunities for your employees.

3. Process

What is causing friction to the process and frustration amongst people?

Talent Acquisition is a good place to start, as improvements here will filter through to areas of employee engagement/retention programs; but in order to have effective Talent Management, you need to position the other two well.

Examples for the three main areas could be:

Acquisition

Is there a template you could use to better develop and communicate the individuals you are looking to hire?

Onboarding

How can you make the onboarding experience outstanding? What parts are painting a bad impression?

Engagement & Retention

Do less experienced employees feel they have access to senior leadership and mentorship opportunities? How often is feedback given, through what channel/s?

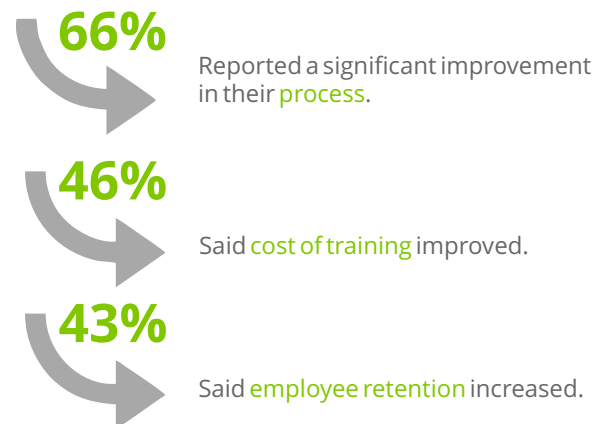
Mapping out these processes visually will help you and your HR team to see who does what, and discover pain points that often go unnoticed.

4. Tactics

You may have a USP for your product or service, but Your tactics are your game plan, and technology should be at the forefront of your game plan.

Digitalization has become an integral part of Talent Management, with companies using systems and platforms more than ever to create interactive and responsive user experiences.

In fact, after implementing new HR software, firms in one survey³ saw a high level of improvement:



Technology strives to automate processes, reduce the cost of training, and has a profound effect on engagement and retention if deployed and adopted correctly. The role of HR technology is going to become significant in executing the Talent Management Strategy due to the changing composition of our workforces. Millennials are making up an increasingly larger proportion of the workforce, and of course, have very different expectations to other generations.

Millennials have grown up surrounded by technology, and are not able to imagine a lifestyle not immersed in technology. Just as Millennials access data and information on-demand in day-to-day life, they will expect this need to be catered for in the workplace too; this applies to feedback, compensation & benefits and other administrative functions.

Employees are expecting to be surrounded and impacted by technology not only in their personal lives, but also in their professional lives. The boundary between work and life becomes increasingly blurred as we become more interconnected and reliant on technology. We have come to expect instant gratification when it comes to consumption, and this expectation is also extended to the adoption of HR technology.

WHY YOU NEED A LEADING EDGE TALENT MANAGEMENT STRATEGY

We've outlined why you need a Talent Management strategy, how quickly it can impact your company by not having one, and the consequences of having a passive strategy. It's no surprise that Talent Management is on business leaders' minds. But, a leading edge strategy for Talent Management isn't feasible without technology, which as we've shown, is an essential piece that can't be compromised. Having the right technology components is crucial in providing your workforce with the level of service and interaction they have come to expect in day-to-day life: information immersion and instant gratification, all on-demand.

Are you prepared?

Sources:

¹Groysberg B., Connolly K., *The 3 things CEO's worry about the most*, Harvard Business Review, March 16, 2015.

²Bersin by Deloitte, bersin.com/small-midsized-membership

³Willie R., *Talent management industry user research report*, Capterra, December 19th 2016.

ABOUT SKILO

Skilo is a cloud-based solution designed by HR industry professionals that simplifies HR and talent management processes such as talent acquisition, employee development and employee engagement.

Skilo runs on Salesforce®, a leading enterprise cloud platform provider, and is available on computers, tablets, and mobile devices.

ABOUT ENXOO

We are a Salesforce® Gold Consulting Partner providing consulting, industry-specific solutions and implementation services to our clients. Our mission is to partner with our clients to solve business challenges by delivering meaningful Salesforce services.

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CONNECT WITH US

sales@skilohr.com

North America: +1 201 510 7190

Central Eastern Europe: + 48 22 1-1 7866

Western Europe & All other countries: +49 30 290 499 41

 @skilohr

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