The State of Integrated Talent Management

Integrated talent management is here to stay. Gartner has placed integrated talent management suites on the “slope of enlightenment” in their Hype Cycle curve1, entering early mainstream with widespread customer validation. Organizations have been upgrading to integrated talent management suites for more than a decade2 — some by adding individual modules from their existing learning or talent vendors, others by moving to end-to-end integrated talent management suites.

The business challenges that triggered this wave are significant: lack of a “single view” of talent; inconsistent, manually aggregated reporting; poor data quality; increasingly costly maintenance. And most of all, a poor experience for employees, significantly restraining adoption of these systems — thus, limiting the productivity, skill development, engagement and retention benefits that can accrue from integrated talent management processes and systems.

“Companies with poorly integrated systems have lower scores on retention and employee productivity, similar to those who have no systems in place at all.”3

— Bersin & Associates

The market for integrated talent management solutions in 2014 was an estimated $3.4 billion, growing 17% per year.4 The rewards for deploying these integrated solutions have been significant, with Bersin research measuring the following talent and business improvements.5

- **Hiring** — 87% greater ability to hire the best people
- **Leadership development** — 36% higher ratings
- **Employee engagement** — 29% higher engagement ratings
- **Retention** — 17% lower voluntary turnover
- **Revenue** — 20% increase in revenue per employee

Two Flavors of Integrated Talent Management

It is important to distinguish between the two flavors of integrated talent management suites as you formulate your systems strategy going forward — aggregated and unified.

**Aggregated** suites are those that were either created through acquisitions or were built independently of each other. Either way, they end up using “external integration”—that is, middleware (with APIs or web services) to connect and pass data between the modules. Think of it like “custom integrations.” The most notable aggregated solutions are from ERP companies who started with core HR systems and added individual talent modules through acquisitions or built them over time, but with different teams and sometimes different data models. The key is that they were not designed with a holistic view of talent management in mind, so they don’t accrue many of the benefits of a unified platform.

**Unified** suites are those that were created “from scratch” with a unified strategy, unified user experience and unified data model.

There are significant advantages to the unified approach, including:

- Consistent user experiences across every talent module
- Compatible processes to support these modules
- Complete view of the organization and its talent
- Single repository of data that flows seamlessly from module to module
- Fluid, efficient upgrade paths, driving faster innovation and value
- One-stop reporting and analytics capability

In the 2015 Gartner Magic Quadrant evaluation, Gartner found that **client satisfaction was 14.6% higher with unified solutions than aggregated solutions.**6
Is Integrated Talent Management Enough?

The Game Has Changed
Much has changed since the beginning of the integrated talent management movement. The makeup of the workforce has changed dramatically, with a mass exodus of baby boomers at leadership levels and a mass inflow of millennials at almost every level. (In 2015, 48% of supervisors and above in the U.S. will be at retirement age and more than 50% of U.S. workers will be millennials.7) And these millennials are bringing very different life experiences and expectations into the workplace, including how they interact with technology, look for information and learn.

At the same time, technology has advanced in several interrelated areas, offering new and better capabilities to address talent-related challenges. Mobile is changing the way people communicate, connect, play and work. Social connects people to their friends, their workmates and new career opportunities. And Cloud enables access to information and functionality from anywhere in the world. Together, these forces are creating opportunities for HR to profoundly enhance how they enable, empower and engage their workforce.

Integrated Talent Management Satisfaction Today
What grade would talent management customers give their integrated talent management suites today? That, of course, is what Gartner measures with its Magic Quadrant evaluation process.

Gartner’s 2015 Magic Quadrant study reports that satisfaction scores for talent management suite products averaged 5.25 on a 7-point scale. The biggest gaps between importance and satisfaction were:

1. **Reporting** — Access to consolidated data for reporting and analytics
2. **Ease of Use** — For both employees and managers

These gaps spell opportunities for significant improvement in functionality, ease and impact.

“...A Nexus of converging forces — social, mobile, cloud and information — is building upon and transforming user behavior while creating new business opportunities.”

— Gartner
Next Wave in Talent Management

With the advances in technology and the increased appetite for more engaging experiences from employees and more impactful results from executives, organizations have an opportunity to create much greater leverage from their talent management investments going forward. The following five capabilities carry great promise to do just that.

1. EMPLOYEE-CENTRIC ENABLEMENT — Consumerized HR Technology

As noted in Bersin’s recent report — HR Technology 2016: 10 Big Disruptions on the Horizon9 — over the past decade, HR systems have evolved from HR productivity tools to employee-first enablement tools. These tools enable employees to manage their own learning and development, connect with internal experts, collaborate with peers and chart their own careers.

A big part of this shift has been driven by the change in the makeup of today’s workforce, especially the influx of millennials. Armed with smartphones and thousands of mobile consumer apps, unbounded video content and social networking, millennials are expecting work systems to be as intuitive and engaging as the apps they use in everyday life. And they are expecting employers to enable them to develop their skills and take control of their careers with the systems those employers provide.

As a result, employers are increasingly looking to talent management systems to provide these engaging experiences for their employees.

““This shift — away from HR toward the employee as the user — has had a huge impact on the market.””9

— Bersin & Associates

KEY TIPS

1. Make it about their life, not about your processes.
2. Make it as easy as consumer technologies — no learning required.
3. Make it engaging — fun, genuine, personal.
2. GUIDED EXPERIENCES — Intelligent Recommendations

While employees are looking for consumer-quality solutions at work, they want to be empowered to figure it out on their own. What they’re really saying is they don’t like being told, but would like to have help along the way if they need it. This is where “intelligence” fits in — proactive assistance to help guide employees along their path to developing their skills and steering their careers.

At the same time, HR professionals are looking to offload some of their overbearing workload, so they can make a bigger difference (and still have a life). In addition, they would like to avert visible problems like high-value employees unexpectedly leaving.

Luckily, there have been seismic advances in the fields of predictive analytics and something called “machine learning” that can help both employees and HR professionals reach their goals. (The simple definition of machine learning is “improving the performance of something by automatically learning from the experience of using it.”) These technologies enable personalized recommendations for both employees and HR professionals in some very important ways.

For employees:

• **Intelligent development** — Personalized recommendations for each employee to develop their skills, including courses to take, content to read and experts to consult.

• **Intelligent career planning** — The ability to explore different career paths, see how the paths link up to their long-term goals, and get tailored recommendations on areas they need to develop to maximize their chances of reaching these goals.

For HR professionals:

• **Intelligent retention** — The ability to proactively predict the risk of a high-value employee leaving the company, automatically calculate the cost of replacing that person, and determine the compensation adjustment that would minimize the risk of the employee leaving.

• **Intelligent benchmarking** — Guided drill-downs into the company’s talent analytics relative to competitive and industry benchmarks, with recommendations on actions to improve their performance.

💡 **KEY TIPS**

1. **Make the recommendations proactive** — anticipating issues or opportunities.

2. **Make them personalized** — focusing on the specific needs of each employee.

3. **Make them engaging** — recommendations that are increasingly helpful over time.
3. END-TO-END MOBILE HR — Mobile-First Practices and Systems

Mobile is one of those topics that grows in importance, scope and impact every year. The growth of mobile platforms — smartphones and tablets — combined to account for 60% of total digital media consumption in the U.S. in 2014.10 Even more surprising, mobile apps accounted for 85% of that consumption.11

Mobile transcends “mobility” — it’s truly personal, and even more important than your wallet. For instance, people are more afraid to lose their mobile device than their wallet or keys.12 People think “mobile first” — especially millennials. For reading emails, Google searching, sending/receiving texts, checking Facebook, viewing videos. And, by definition, their mobile phone is always on, on demand, and within reach, unlike laptops or certainly desktops.

Providing talent and learning functionality on mobile devices brings good talent management practices into the inner sanctum of each employee, manager and executive. It becomes more top-of-mind, approachable and personal. As a result, people use talent systems more — according to Gartner’s 2015 Magic Quadrant Study,13 employee and manager self-service usage of talent management applications will grow from 19% (average across all applications) to 40 to 60% in two years because of mobile access.

If done right, offering end-to-end native mobile talent management apps will significantly increase talent management adoption and usage, on-the-go productivity and engagement.

4. REAL-TIME EMPLOYEE FEEDBACK — Peer-to-Peer Recognition Systems

One of the most hated topics by employees and managers, and one of the most popular to “bash,” the annual performance review is an idea well past its prime (if it ever had a prime). Accountability is critical, of course. And bonus pools still need a way to be equitably distributed. But waiting a full year to give employees feedback is both unreliable, dis-engaging and unprofitable.

It’s unreliable because people (managers) are biased by the most recent events they observed with employees — a psychological trait called the recency effect.14 It’s virtually impossible for a manager to have a balanced few of an employee’s performance over a full year.
It’s dis-engaging because employees feel that the performance review process does not adequately reflect their accomplishments over that year. Plus, their brains are wired to “protect and defend” in the face of perceived threats to their self-esteem.15

It is unprofitable because each day an employee remains on a less effective path (at whatever goal they are pursuing), they are sacrificing the value they could be driving from the more effective path.

An important way to address these challenges is to make performance management part of everyday management with regular feedback and coaching from first-line managers. Augmenting coaching, peer-to-peer recognition applications can provide real-time feedback from managers, team members and any employee at your company. This feedback is automatically captured in the employee’s performance appraisal. Plus, it contributes to a strong culture of teamwork and acknowledgement.

KEY TIPS

1. Train first-line managers to be great coaches.
2. Require regular check-ins and coaching sessions, at least monthly or quarterly.
3. Launch a peer-to-peer recognition system to augment direct manager coaching.
5. FRICTIONLESS COLLABORATION —
Built-in All-Process Collaboration

The world is flat. Operating on a global scale is the norm, with talent and competitors coming from anywhere in the world. Teams are located remotely, dispersed around the globe in different time zones, making it difficult to meet face-to-face, join in-person training or exchange time-critical information with peers. All these factors produce friction on talent management activity and effectiveness.

The problem is that introducing a variety of collaborative tools to address these challenges — that are not tied to employees’ business processes and objectives — means more places for people to have to go to find and share information, becoming a barrier to getting work done efficiently and making life more complex for employees.

An effective collaboration solution should unify the various modes of knowledge exchange, creating a single place to share information, expertise and training. By doing this, it should speed up business processes, making it simple to connect with others and removing friction for every person in every process.

More importantly, the right solution should provide a personally relevant experience for each user — curating and surfacing the most important content, connections and training for each user based on their role, goals, career aspirations and team dynamics. By doing so, a frictionless collaborative process can significantly improve the experience and impact of every talent management process, including learning, recruiting, performance management, compensation and succession management.

Conclusion
The evolution from individual talent processes and systems to integrated, cross-departmental talent solutions has reaped sizeable benefits by automating talent workflows, simplifying user experiences and reducing turnover. With the technological advances in mobile, social and predictive analytics, HR leaders now have significantly greater opportunities to drive talent and business results, leveraging their time much more productively in the process. By following the “Key Tips” in this paper, HR professionals will be able to derive the following benefits:

More engaged employees
• Employee-centric enablement using consumerized HR technology.
• Personalized, guided development experiences through intelligent recommendations.
• More personal, consumable learning and talent experiences with anytime mobile access.
More productive, impactful HR professionals

• Higher levels of employee adoption, which drives more self-served processes that will free up HR professionals’ time.

• Guided HR experiences that anticipate talent challenges and proactively propose solutions.

• With more time and proactive guidance, HR professionals will be able to think and act more strategically and help lead their company forward.

Better business results

• With stronger employee engagement and more effective skills development, your employees will drive better experiences for your customers and, thus, greater revenues for the company.

• With more personalized professional development and a more collaborative, positive company culture, employees will stay longer and tell their friends why.

In summary, integrated talent management practices and systems are important but not sufficient in today’s fast-changing, competitive world. An integrated talent management system that leverages the consumerized, mobile, collaborative and intelligent capabilities outlined in this paper will enable your company to more effectively engage your employees, empower your HR teams and move your customers to buy.
References


Additional Resources

- Solution Video: Introducing Saba’s Intelligent Talent Management Solution
- Customer Video: Equity Residential — Teaching People “How to Fish” with Intelligent Talent Management
- Customer Video: Guitar Center — How To Use Social and Intelligence to Invent the Future of Retailing
- Product Data Sheet: Intelligent Talent Management — Featuring TIM, The Intelligent Mentor™
Saba delivers a cloud-based Intelligent Talent Management™ solution used by leading organizations worldwide to hire, develop, engage, and inspire their people. Intelligent Talent Management uses machine learning to offer proactive, personalized recommendations on candidates, connections, and content to help your employees and organization lead and succeed.

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