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TM talent management

September 2011

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THE ERA OF BIG DATA

You have the bits and bytes — now what?

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[FROM THE EDITOR] by Mike Prokopeak

The Danger of Teaching to the Test

As students head back to school, teachers across the country begin the often laborious, always pressurized process of preparing them for assessments, quizzes and tests.

For the most part, this is good. Few things match a test for its ability to focus efforts toward a goal. A test can also spark a healthy sense of competition to boost motivation and spur higher achievement.

> **In today's business era, information is not enough. The insight you generate from data is the real difference maker.**

But there's a dark side to the emphasis on testing. Good for assessing students' grasp of information, tests are not so good at seeing how they apply that knowledge creatively. As classroom activities and assignments turn more to teaching to the test, students are often well-prepared with facts and figures but ill-prepared to think critically, deeply and flexibly. In business, the consequences are equally dire.

As business enters the era of big data, as some analysts have dubbed it, information is available on a scale never before possible. In this environment, the real difference maker isn't having information — it's what you do with it that counts.

Unlike in school assessments, it's rare that you will know the precise moment when a test of your skill, ability and motivation is coming and exactly how you will answer. Real life — and business in an era of volatility and uncertainty — is never that clean and proscribed.

But that's exactly how we teach students. High-stakes testing, bolstered by educational reforms like No Child Left Behind and Race to the Top, pressure teachers to teach to the test because quite often their jobs, and the continued existence of their schools, depend on it.

The result is a clear gap between having information and possessing insight — a distinction that's important for talent managers.

I learned that lesson firsthand when I taught reading to middle school and high school students in the 1990s. If lucky, we read almost organically, our brains processing language, formulating meaning and reaching conclusions in an almost subconscious way. Many times this ability is the result of involved parents or engaged teachers. Sometimes, it's simply natural ability.

For kids who struggle, reading and making meaning are tougher. One popular teaching method to help is SQ3R, an acronym that stands for survey, question, read, recite and review. The basic premise is successful reading requires readers to be actively engaged in continually questioning and reviewing before, during and after they read.

The results can be impressive. After just a few weeks, my students were better able to recite and recall information from what they read. When asked to interpret that information, synthesize it with their own experiences and draw inferences and conclusions, things got more challenging.

Part of learning is acquiring and understanding new information by pulling it apart and examining the pieces. SQ3R was great for that dissection. But there's another, more subtle and difficult element that involves putting data back together and drawing a meaningful conclusion. New information does not, in itself, make us smarter.

As we discuss in this month's special report on HR technology, the rise of vast data farms and widespread cloud applications put information at our fingertips like never before. With a smartphone and a few spare seconds, you can access more data and information than any human being on the planet could just a few decades ago. A suite of sophisticated tools and talent management systems can pull up a full report on the performance of a global organization of hundreds of thousands of people in a matter of seconds.

But again, access to all that data, while useful, doesn't necessarily make us smarter. It's what we do with it — the conclusions we draw — that make or break us and our organizations. There's a key difference between information and insight, just as there is between reading and comprehension. Information is what happened; insight is why it happened. Information is what's going on; insight is what to do next. And the test is happening right now. TM

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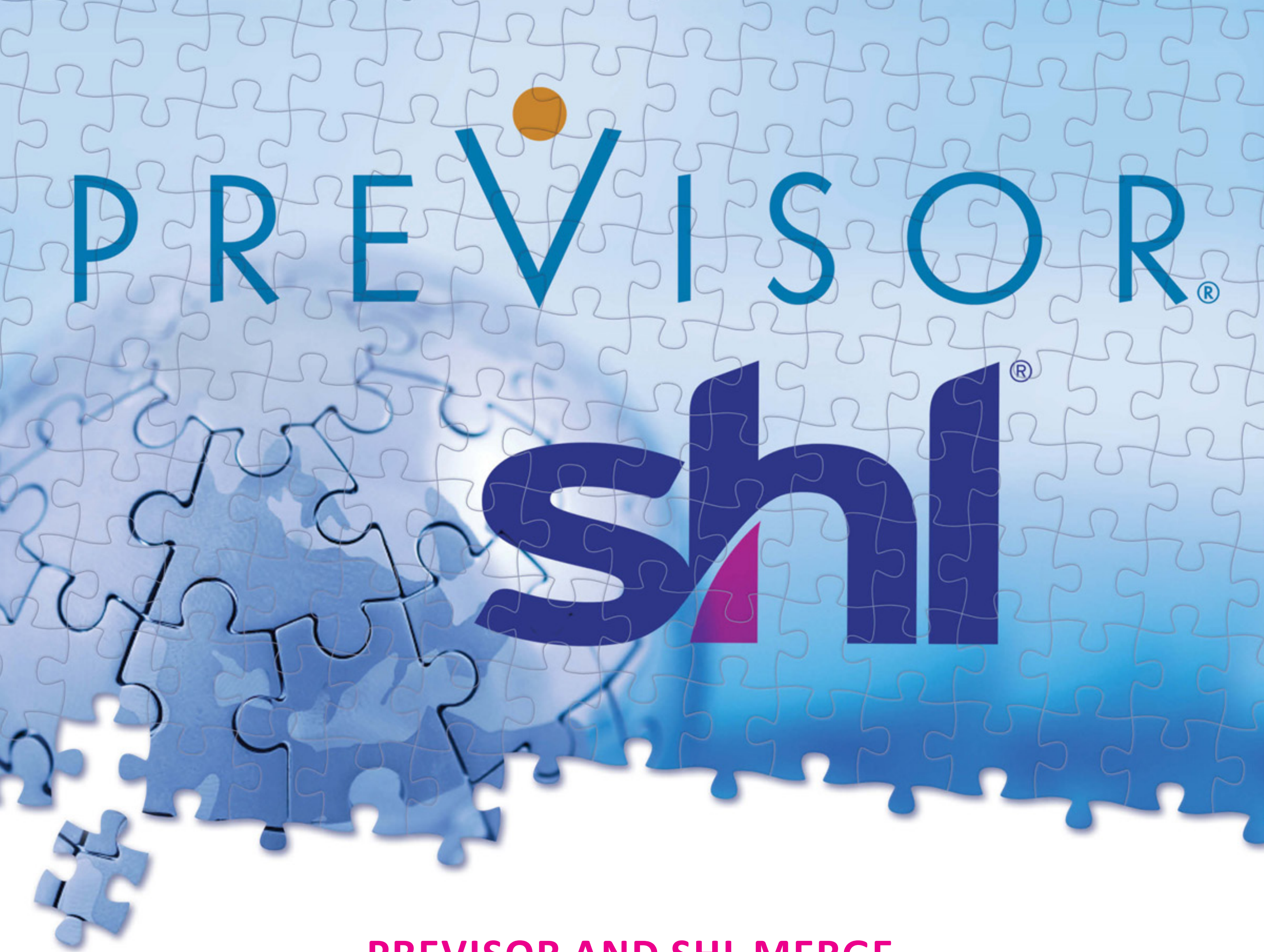

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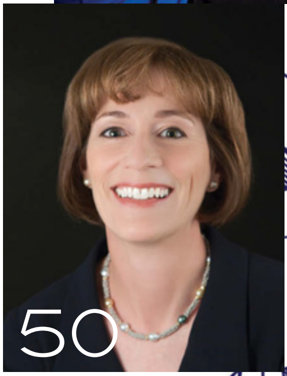

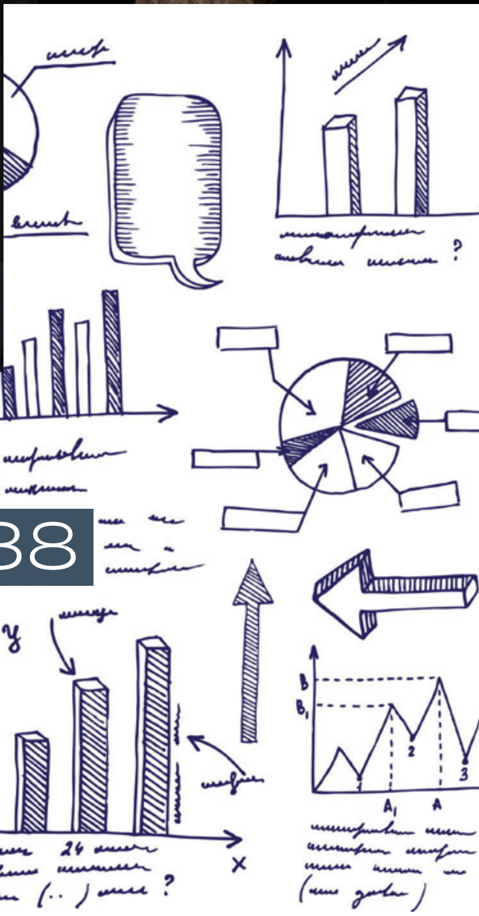

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[WORKING KNOWLEDGE] by Kevin D. Wilde

Hands Off the Talent

Jim Collins' best-selling book *Good to Great* was published 10 years ago and quickly became a major force in leadership development, not to mention the catch phrase of the decade. It contained a number of insightful, refreshing and enduring ideas that inspired business leaders and talent development professionals everywhere. For awhile the buzz was all about Level 5 leadership, hedgehogs and bus drivers.

I am happy when a newly appointed leader aims to take an organization from good to great, applying many of Collins' principles. But I counsel the leader not to put on the bus driver uniform too soon.

Collins used a public transportation metaphor to describe the importance of a leader selecting superior talent with his "first who, then what" principle. He asked readers to imagine organization life as driving a bus. Using this metaphor, the task of leadership is to get the right people on the bus, the wrong people off and then the right people in the right seats. In today's talent management parlance, that would be selection, outplacement and assignment management. The *Good to Great* proposal was to pay attention to the talent before just about anything else. And that's where new leaders can get in trouble.

When a new leader arrives, there are a number of early challenges. I've seen leaders become bus drivers too soon and mindlessly start kicking current team members out and adding back their old teammates to the short- and long-term detriment of the organization. Of course, there are teams in need of upgrading or that could benefit from removing a negative, blocking employee. But moving people out of or around an organization or team without the right context will make the wheels fall off.

There are two critical items on a new leader's start-up agenda. Assessing the talent is an important one but it needs to be considered in concert with other early challenges. In observing new managers who get off to an impressive start and build long-term momentum, I find they first have a good handle on establishing task clarity or getting clear on where the bus needs to go. This means assessing and developing a longer-term view of where they need to take the organization — usually a two- or three-year perspective.

> **[Moving people out of or around an organization without the right context will make the wheels fall off the bus.]**

Of course, they also focus on the practical near-term actions of the first 12 months. In some situations, circumstances such as a day-one crisis or a difficult turnaround dictate a singular spotlight on the present where timely actions are necessary to provide breathing room before more strategic thinking can take place. Successful leaders usually make the best use of current team talent. In other words, the bus driver needs to start heading out in the right direction with the current riders, even if the map route is only for a few miles.

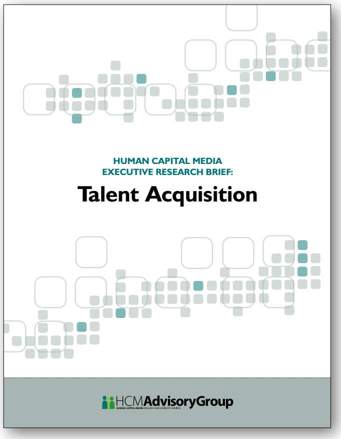
The second start-up agenda item is appraising the organization's capacity to deliver the tasks identified from the long- and short-term framework. This is where most leaders take on the bus driver role, thinking about what seats are needed on the bus — organizational structure; who needs to occupy the critical seats — position skills and experiences needed; and motivation to go along for the ride, matched against the current and available bus riders.

Good to Great thinking makes sense here, but should include a broader view of what talent systems and processes best align with strategy. Changes in talent practices can have more of an impact than just changing out the people.

Compelling, fresh approaches come around from time to time, and *Good to Great* was an exciting contribution to our field. But any new lens to view organizational life can be oversimplified and misused. Talent shuffling is an important way a new leader can drive the organization to great, but good driving includes following the right route and making sure the organization's practice — in addition to its people — is in good working order and ready for the journey.

About the Author

Kevin D. Wilde is the vice president and chief learning officer at General Mills and author of Dancing with the Talent Stars. *He can be reached at editor@talentmgt.com.*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by Jac Fitz-enz

The World According to Buffett

I presume you know of Warren Buffett, the sage of Omaha, and one of the richest men in the world. Buffett is a man of singular focus. He was born with a fascination for numbers. By the time he entered first grade in 1936 he was already playing games that required collecting, counting and memorizing numbers. He was not destined for a career in personnel work.

He was just 6 years old when he started making money by selling chewing gum door-to-door in his neighborhood. He quickly graduated to selling Coca-Cola and then subscriptions to the Saturday Evening Post and Liberty magazines. By the time he was 10 he was selling peanuts and popcorn at the University of Nebraska at Omaha football games.

His epiphany came about this time when he was allowed to hang around the customer room at Harris, Upham & Co., the brokerage firm where his father worked. He was fascinated by the numbers constantly changing on the chalk stock board. When Buffett was still only 10, his father took him on a trip to New York City. When asked what he wanted to see, he selected the Lionel Train Co., Scott Stamp and Coin Co. and the New York Stock Exchange (NYSE). After visiting the NYSE his father and a broker took him to lunch. This was a seminal moment in young Warren's life. He described it thus:

"We had lunch at the exchange. After lunch a guy came along with a tray that had different kinds of tobacco leaves on it. He made up a cigar for the broker, who picked out the leaves he wanted. I thought, 'This is it. It doesn't get any better than this.'"

Now he knew what path his life would take. He wanted to make money because it would make him independent. "I didn't want other people directing me. The idea of doing what I wanted to do every day was important to me," he said. Remember, this is at age 10.

Unlike Buffett, not all people have to dedicate their lives to making money to be fulfilled and happy. But they probably should do what they want to do every day. Many of us don't. Many people accept their lot in life and avoid dealing with their stifled dissatisfaction by making excuses.

[Not all people have to dedicate their lives to making money to be fulfilled and happy. But they probably should do what they want to do every day.]

But it is never too late to change. I understand they may have family responsibilities they can't and don't want to walk away from. But if they want to be fulfilled they must do something, they must start, no matter in how small a way. What they can't do is put it off until sometime in the future without a definite commitment to a given date.

You have talent you can direct to a more satisfying career and life. When you reach the end, what do you want to be able to say about how you have spent the last 50 years? Was it what you planned from the beginning? Did you grow up wanting to be a human resources professional?

Architect and city planner Daniel Burnham said, "Make no little plans; they have no magic to stir men's blood … Make big plans; aim high in hope and work."

Planning opens your mind, releasing your imagination. In doing so, you discover talents that have been there from the beginning. The fearful voices in your head that whisper "too much, too hard, too controversial, too expensive" are pushed aside during the planning process. Instead of living in the present and planning our future, we get stuck in the safety of the past or inhibited by the future's uncertainty.

Woody Allen said, "If you want to make God laugh, tell him your plans." I say, "Let him laugh."

Here is the question. If God approached you and asked, "I'm giving you a do-over. You are 18 and have any attributes you need. What are you going to do with your life?" What would you say?

Go ahead. It's your life. I'm not God, but I am giving you a do-over. What are you going to do with it?

About the Author

Jac Fitz-enz is founder and CEO of the Human Capital Source and Workforce Intelligence Institute. He can be reached at editor@talentmgt.com.

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[GUEST EDITORIAL] by Jody Thompson

Mind the Results

Do business leaders really believe people are working while they are at work? Are managers still living in a world where time plus physical presence equals results? That's rather antiquated thinking, but it's still common.

Only recently has flexibility become some profound, innovative strategy to drive employee engagement and morale. In some circles the only thing being talked about is flexibility, not results. Managers are proud to say they offer flexible work schedules, telework options and allow employees to leave early or come in late.

With all the talk about flexibility — who should get it, when they should get it, why they should get it, and if they should get it — it's no wonder managers and employees feel stressed, frustrated and downright hostile. With all the focus on how people should be spending their time, who's focusing on results?

The difference between a flexible workplace and a results-focused workplace is the language, focus and attitudes. A results-focused workplace is about results, not face-time, putting in time or tracking time. It's not about time at all.

ON THE WEB

To read about how Unilever implemented flexible working, go to http://talentmgt.com/articles/view/no-office-no-problem.

"In a results-focused workplace, people still come into the office," said Dick Howard, president of the Fairview Foundation, the philanthropic support arm for Fairview Health Services. "The difference lies in the fact that when they're in the office, they're actually working. They adapt to customer needs in a way that makes more sense and are crystal clear about the outcome of their work. We've blown away the permission-based, paternalistic culture and replaced it with a culture that has created new opportunities for people to be successful."

Listen to the language that permeates your workplace hallways and water cooler. Does it sound like the following? "I wish I had a kid and could leave early," or "how did Bob get that promotion? I'm here earlier than him every day."

> With all the focus on how people should be spending their time, who's focusing on results?

Unfortunately, this is the language of work. The problem is it's not even focused on work; it's focused on how to get out of doing time. People have almost no control over their time during the work week — at least between the hours 9 to 5 — and very high demands in their lives. And they will do anything to try to gain that control.

If you give people complete control over their time, they will be where they need to be, when they need to be. You won't have to tell them, because in a results-focused workplace, no results means no job. It's that simple.

"We've shifted everyone's focus to what's really important: results," said Eric Severson, senior vice president of HR for Gap's North American and outlet businesses. "Everyone is treated like an adult with high accountability and the power to make their own choices about how they spend their time. The permission-based, time-focused culture has had its time in history and that period is over. We are excited to move into the future — and ahead of competition."

The flexible, time-focused workplace is about entitlement. The results-focused workplace is about opportunity. The flexible workplace is about schedules. The results-focused workplace is about accountability. The flexible workplace uses time as currency. In a results-focused workplace, your clients are paying for results only, and results are the new currency.

In an organization where flexibility is part of the conversation, managers are managing people's time. They're poring over outdated workplace rules and policies to keep people in the office. They're managing to time instead of results. And if they aren't minding the results, who is?

A results-focused workplace creates an environment where every person is not only accountable, but cares about the bottom line.

"When we started measuring results instead of time, our business both changed and grew significantly," said Susan Hoaby, president of JL Buchanan, a company that helps other organizations work with Target. "What's more, every person, no matter what their job title or position, became engaged in profitability goals. Our entire team makes great choices to foster continued healthy growth for our company. We don't worry about turnover; we've created an environment that everyone wants to be part of because it makes sense and they care."

About the Author

Jody Thompson is co-creator of the Results-Only Work Environment strategy. She can be reached at editor@talentmgt.com

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In the information era, companies need to invest in HR technology to boost performance, but protect your employees' information.

We live in a world of information. Last year alone, people generated more than 13 billion gigabytes of data. In human terms, that's enough bits and bytes to fill the Library of Congress more than 50,000 times over. On Facebook, 500 million users share more than 30 billion pieces of content every month.

That's according to a May report from McKinsey and Co. called "Big Data: The Next Frontier for Innovation, Competition and Productivity." The benefits of harnessing this data could be enormous. McKinsey concludes that U.S. health care could save $300 billion every year, retailers could increase operating margins by more than 60 percent and governments could save nearly $150 billion through increased efficiency.

The era of
BIG DATA

In HR, industry consolidation and development make the prospect of integrated employee data from recruitment to retirement increasingly possible. Burgeoning collaboration technologies promise not just backward-looking data on performance, but real-time insight for day-to-day management and employee development.

As this special report (and the additional articles on analytics and measurement on pages 38 and 42) will show, HR is poised to take advantage of the data revolution for improved people management, with a couple of caveats.

While investment is steady, today's HR leaders need to make the case for it to continue by connecting technology to improved results. Security is another concern. Recent high-profile hacking scandals of consumer data set off alarm bells.

The end result? Invest in your HR technology but secure your employee information and use it to develop bottom-line insights.

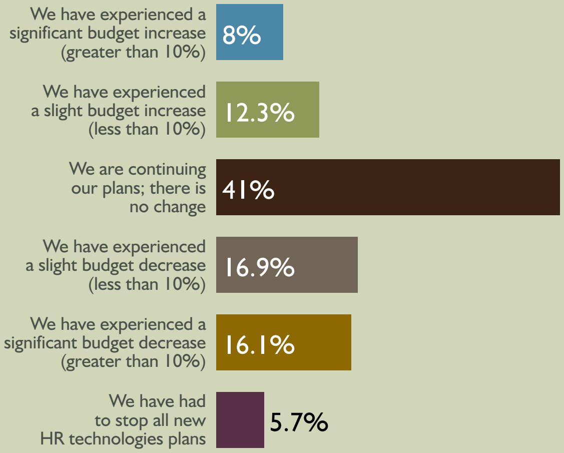
Tech Investment

HR functions have found that recruiting workers with critical competencies is a significant challenge in today's business environment, one they hope to alleviate by making targeted technology investments, according to a May study conducted by Human Capital Media (HCM) Advisory Group, the research division of Talent Management magazine.

Unemployment numbers are still relatively high, which would seem to indicate a bounty of qualified candidates, but practitioners are finding it tough to

FIGURE 1

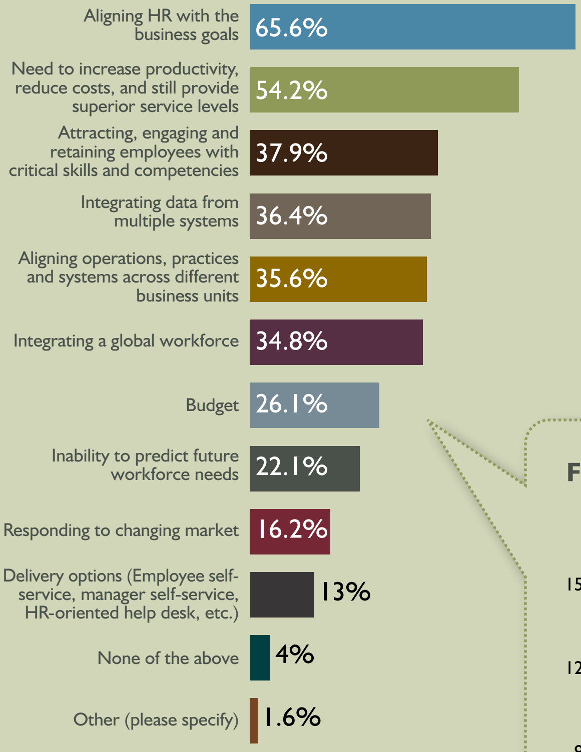
Thinking of 2011 and 2012, what effect has the current economic environment had on your organization's HR technology plans?



Source: Human Capital Media Advisory Group, 2011.

FIGURE 2

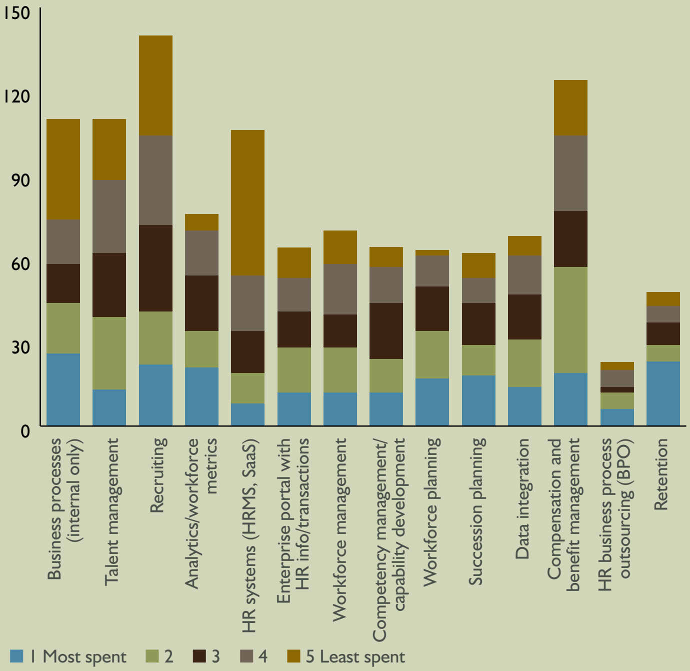
Thinking of 2011 and 2012, what are your greatest HR challenges? (Select all that apply.)



Source: Human Capital Media Advisory Group, 2011.

FIGURE 3

In 2011, please rank the top 5 areas for your organization's HR technology spending.



Source: Human Capital Media Advisory Group, 2011.

fill jobs that require critical and highly specialized skills. According to separate HCM Advisory Group study on talent acquisition practices conducted in April, a majority of companies (79 percent) report struggles to find top talent for many high-skill and technical positions.

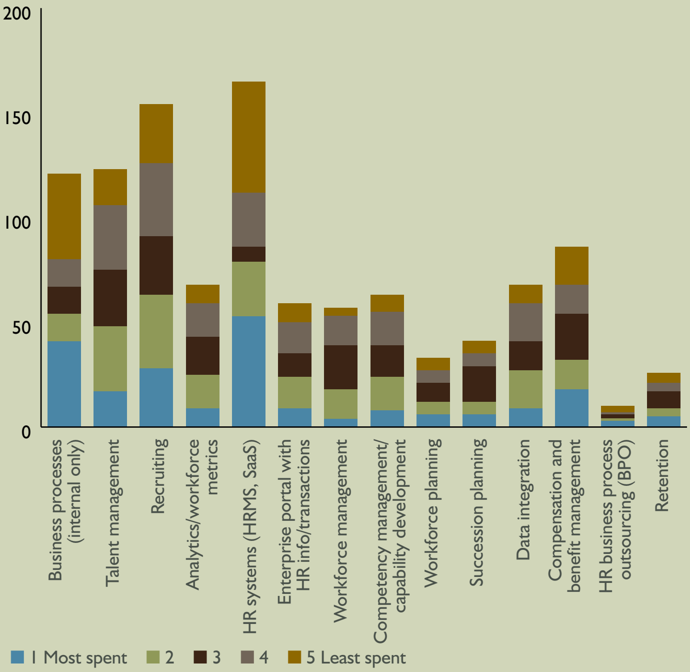
Two out of three organizations (66 percent) made it clear that attracting, engaging and retaining employees with critical skills is a top priority. This is followed by the need to increase productivity, reduce costs and continue to provide superior service levels. (Figure 2).

The April HCM Advisory Group research also reveals that most companies (60 percent) will need to tackle these challenges with no additional funding. For most organizations, budgets cuts have stopped; however, one in three organizations expects to be asked to solve HR problems with less. (Figure 1).

With these budget challenges in mind, organizations have identified specific strategic goals to help meet them. Study data shows that aligning HR plans with business goals, integrating data from multiple systems and aligning operations, practices and systems across different business units are their top priorities. More than half of the companies surveyed point to HR systems such as HRMS and SaaS as their top spend, and companies expect this trend to continue in 2012 (Figures 3 and 4).

FIGURE 4

For 2012, please rank the top 5 anticipated areas for your organization's HR technology spending



Source: Human Capital Media Advisory Group, 2011.

Companies will continue to implement new systems, as well as upgrade existing systems, to meet their alignment and integration challenges. These will not have immediate budgetary impact, but the long-term results should help keep costs down and reduce redundancy, if technology vendors do their part. HR departments need vendors that understand that alignment and technological systems integration are top priorities.

Where do organizations expect to cut costs? With more than 50 percent less spending expected, HR business process outsourcing is expected to be the big loser in 2012 (Figure 4). This data continues a steady decline that was initially driven by economic conditions but now is fueled by companies seeking more holistic and innovative solutions rather than simple transactional-type services. Study data shows buyers want technology providers who act as business partners who understand their businesses.

With the war for skilled talent back in full swing, HR functions are aggressively seeking out HR technology solutions, and to maximize these investments, organizations require that talent management processes be aligned and integrated. Technologies that help solve these challenges in a cost-effective way, as well as make recruitment and retention processes more efficient, will be critical assets to organizations looking to remain viable in a global competition for talent.

— Jerry Prochazka

Technology and Performance Feedback

In many cases, employees don't get feedback at work; it's an acute problem HR technology largely has failed to address. Consider the traditional annual performance review. Technology has streamlined and automated some facets of the process, but sit down with a group of HR executives and ask them if they have ever used the results to improve performance. Few hands will go up because most performance management technology wasn't built for the way people work today. The too-little-too-late feedback cycle has no value. A tired manager typically sits on an airplane and copies paragraphs of feedback that are meant to be repurposed among employees. This needs to stop, and new paradigms have emerged to help people accelerate performance through micro-feedback loops.

Feedback loops are tools to help people change behavior patterns and encourage good habits. Feedback loops should live in every business process and foster constant feedback from peers and managers. Ideally, they provide employees with actionable information about their work or behavior in real time. Managers can leverage that immediate opportunity to change those actions, offer development or steer the employee toward more suitable behaviors.

The development of social software has made it possible for managers and their teams to collaborate and provide feedback in real time. Further, if talent managers build their organization's performance management culture around the concept of constant micro-feedback, it likely will become viral because feedback loops are inherently social. They function within the conversations already occurring throughout an organization — conversations that engage employees and drive greater business performance. Instead of acting as a process that happens outside of regular work, feedback becomes fully integrated into the actual work processes themselves.

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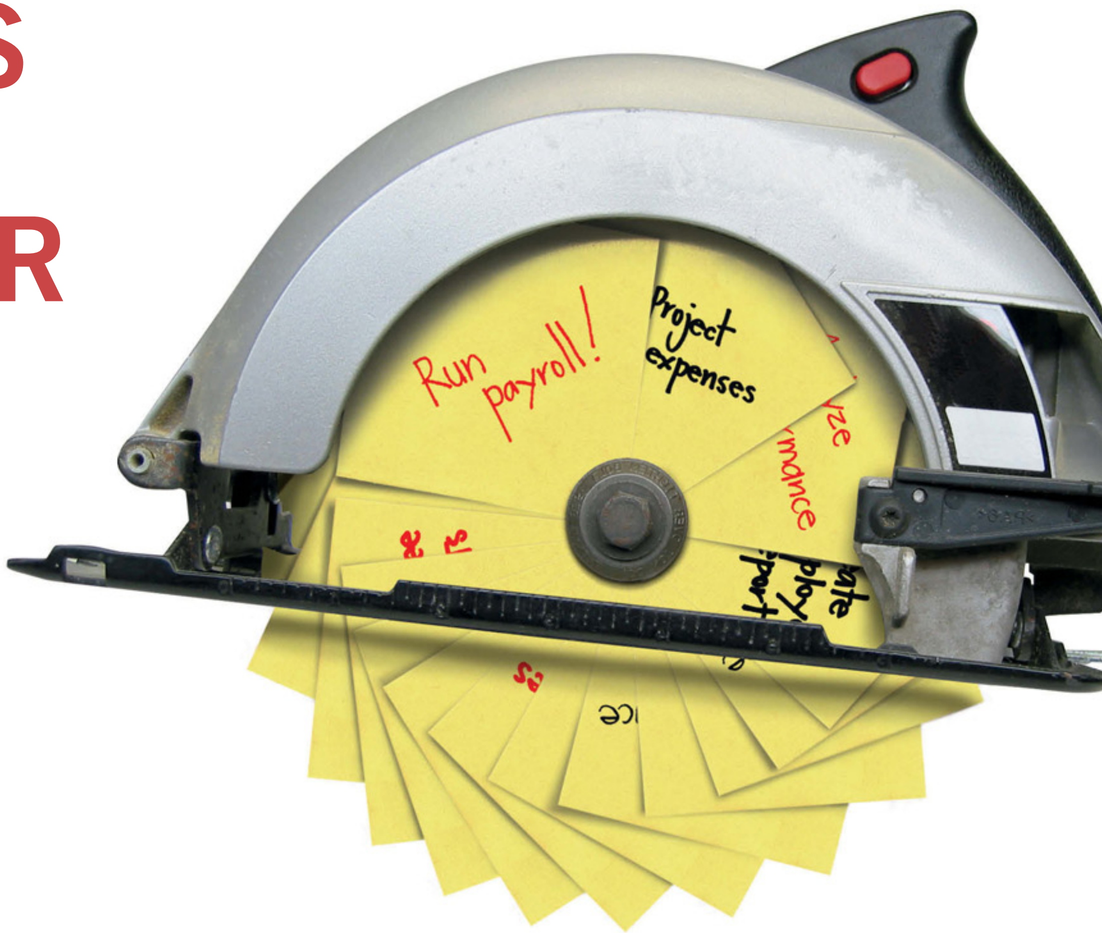

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> **Feedback loops bring relevance and validity back to the formal review cycle. None of the data — and virtually none of the feedback — needs to be created during the review cycle itself.**

Connections among co-workers, teams, departments and even organizations are increasingly important. The rise of LinkedIn and its recent blockbuster IPO is just one example of the validation of connectivity as the basis of Enterprise 2.0. Building a performance improvement culture specifically on the business relevance of these connections ensures social software is useful to goal fulfillment for the enterprise.

Imagine being able to deliver frictionless, micro-feedback to employees continuously. Instead of having to wait until the end of a review cycle, employees can find out immediately what they need to do to improve. It leaves them feeling engaged and empowered, which leads to greater performance and helps talent leaders to differentiate their companies from the pack.

Most importantly, feedback loops bring relevance and validity back to the formal review cycle. None of the data — and virtually none of the feedback — needs to be created during the review cycle itself. Instead of feeling disconnected from real work, the semi-annual or annual performance summary becomes a true review — a retrospective snapshot of all the feedback that already has been considered and acted upon.

Feedback loops are based on a premise that constant feedback results in constant improvement, and constant improvement is what a high-performance work culture is all about. For the first time, talent leaders can actively use performance reviews to improve performance.

— Maksim Ovsyannikov

Integrating Data and Systems

Judith Almendra and Steve Clark connect data and people. They are part of a team of employees who recruit, train, measure and motivate a global workforce for TeleTech Holdings, a worldwide provider of business process outsourcing (BPO) including customer care and technical support.

As executive director for global talent acquisition marketing, Almendra is charged with attracting talent. Clark is executive director of human capital systems; he integrates the technologies that track and report on recruiting, learning and compensation for TeleTech's 45,000 workers.

TeleTech has 25 standard metrics including measuring a worker's reliability, consistency and average handle time (AHT), or time to resolve a call. Overlaying these metrics are 500 additional client measures that ensure the company meets customers' demands.

To track all this data, TeleTech integrated an Oracle E-Business Suite, learning management system (LMS) from Meridian and homegrown performance management system dubbed "Empower." TeleTech purchased the Oracle software in 2004 and by 2009 had integrated it with its performance management system and LMS. The three systems share data that lets TeleTech's managers coach employees who are not meeting service thresholds.

Clark said Empower is also a rewards tool. TeleTech's clients set performance metrics. When a TeleTech employee excels and earns a bonus, Empower analyzes the performance metrics and brings the e-business suite a schedule of the payout. If the operations owner approves, then Empower sends the results to Oracle, which loads the data into payroll.

If an employee needs to sharpen performance, Empower helps the manager document a coaching session with the employee. They agree to a set of activities meant to strengthen, for example, a competency. The manager might assign courses from the LMS to help the employee reach her goal before the next coaching session. Managers determine what training someone should take in the LMS based on the worker's position, which is passed to the Meridian LMS from Oracle via Empower. The manager and employee then use Empower to update the employee's coaching plan.

"Part of an organization's homework when searching out a talent management system is to determine to what extent a vendor's solution will integrate with an ERP system," said Sherry Fox, an analyst with Technology Evaluation Centers (TEC).

To successfully integrate talent management and ERP systems, Clark said companies should first define what attributes they will maintain in which system, such as

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education level, training scores, pre-hire assessment results and certifications.

"Master data management is vital to successfully managing the talent profile in a global environment," Clark said. "By previously defining our strategy we easily avoided data integrity issues when we gave people access to the integrated systems."

According to Almendra, the No. 1 value TeleTech's integrated systems bring is a picture of its BPO agents' performance. That picture enables TeleTech to focus on quality of service. Since TeleTech's employee reward program is tied to the metrics derived from the integrated systems, employees get a clear direction of where they are headed as well as coaching on how they can improve their performance and compensation.

— Bill Perry

Data and Security

Cloud computing enthusiasts tout its ability to eliminate on-site hardware, software and the expensive system upgrades that are common in human resources departments.

According to "Cloud Computing for HR," a March 2010 article on bondtalent-us.com, cloud applications for HR and staffing can support fast, scalable and incrementally priced growth. Still, the National Institute of Standards and Technology has outlined a number of information security areas to be aware of when considering public cloud computing. They include:

ON THE WEB

For more information from the National Institute of Standards and Technology about cloud security, view its special publication at http://csrc.nist.gov/publications/drafts/800-144/Draft-SP-800-144_cloud-computing.pdf.

- Complexity of systems.
- Shared multi-tenant environments.
- Internet-facing services.
- Loss of control.
- Botnets — collection of compromised computers for malicious purposes.
- Mechanism cracking.

Data governance is also important. Most data in HR systems is sensitive and confidential, and is subject to a number of legal and regulatory requirements. Three areas to consider are data-in-transit, data-at-rest and data remanence.

Data-in-transit: Data-in-transit is not just about encrypting data to ensure confidentiality, it is also important to use protocols that provide data integrity. This includes protocols such as FTP over SSL (FTPS), Hypertext Transfer Protocol Secure over SLL (HTTPS), and Secure Copy Program (SCP). Non-secure protocols, such as FTP and HTTP, do not ensure confidentiality or integrity of sensitive data.

Data-at-rest: Computer application vulnerabilities are the most likely way to gain unauthorized access to sensitive data. Therefore, sensitive data-at-rest should be kept encrypted. Talent leaders should ensure their organizations conduct regular vulnerability assessments and audits on applications to reduce exposure.

Data remanence: Data that is removed from the cloud is not really removed, even if deleted, and is vulnerable to unauthorized access until it is overwritten by the organization or another customer. Sensitive data put into the cloud for processing or storage must have this protection factored into its use.

Cloud service providers offering HR services probably will be more attractive to smaller organizations. These providers probably invest more in security than their customers, so these offerings may be more secure than what customers can provide themselves. For larger organizations, the move to the cloud may not be as straightforward a decision.

There are number of steps that should be taken to protect HR data when using cloud service providers:

- Define a connection standard between the cloud service provider and the customer that handles integrity and confidentiality.
- Ensure the cloud service provider has addressed the following: Hardened standards of its operating systems; limited access to the hypervisor; hygiene processes over its IT environment; strong identity management capability that is compatible to the organization; adequate security monitoring; regular audits conducted of the IT environment and assurance reports issued such as SSAE 16, ISO 27002 and FISMA certification; and ensure the contract has been thoroughly reviewed and has provisions in place to protect the customer.
- Have a defined service level agreement over security breaches.
- Define ownership and governance in the cloud service provider relationship.
- Perform regular reconciliation on HR data accuracy to detect unauthorized changes.

— Shahed Latif

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Talent Management for Talent Managers

Mike Prokopeak

Demand for good talent management is rising, but is the development of future talent managers up to the task? Develop business knowledge and leadership skills to answer the challenge.

As HR moves up the corporate food chain, demand for effective talent management — and talent managers — has risen along with it.

But in many organizations, HR is like the cobbler whose children have no shoes. All its time, energy and resources are spent furnishing the rest of the organization with well-fitting people, practices and processes. Comparatively little is spent on developing the next generation of talent within the HR department.

That problem is increasingly critical as talent management becomes pivotal to organizational success. HR has excelled in traditional functional areas such as recruiting and training, but creating top-shelf HR talent requires building broader business skills and a passion for the business they're in.

Preparation and Passion

Traditional preparation for an HR career might include a degree in management, psychology or human behavior. But as businesses look for more from HR professionals, academic programs are adapting to those needs by using case studies, scenario-based learning and action learning to meld fundamental theories with practical applications from the world of work.

The core HR functions — labor relations, organizational theory and behavior, compensation and benefits, staffing and training — remain important, but new techniques and content augment the basics, said Stacy Doepner-Hove, director of the master's program in human resources and industrial relations at the Carlson School of Management at the University of Minnesota.

"We still build on that core, but we certainly take new looks at it, add things to it and certainly think of new ways to teach it," she said.

Managing the complexity of business requires a rigorous understanding of foundational HR principles, said John Budd, professor and director of Carlson's Center of Human Resources and Labor Studies.

"At the same time, we are continually updating our instruction to incorporate new research, new HR challenges, new instructional methods and new cases," he said. "For example, we now have courses on leadership, coaching and sustainability that didn't exist several years ago."

Employers are increasingly looking for HR professionals with a track record of leadership competence, academic excellence and community involvement. Further, they must demonstrate leadership potential, said Stephen Glomb, career coach and associate director at Minnesota's Carlson School of Management's Graduate Business Career Center.

"[HR] used to be more of a support function and it tended to be very administrative and very transactional," he said. "Increasingly in most companies it's becoming much more of that strategic business partner."

Glomb said he encourages the HR graduate students he works with, no matter what their previous work experience, to volunteer in the community — such as doing a pro bono consulting project for a nonprofit agency — to get practical HR experience and show initiative and leadership potential.

That sort of general leadership ability is important for HR leaders to develop, and it incorporates a broad understanding of business beyond functional HR expertise and experience.

"We expect our HR business partners to contribute to discussions on strategy and business operations, to be members of operating teams — not just to think about and contribute to the subjects that are traditionally within the domain or purview of the HR function," said Chris Raia, vice president of organization effectiveness for Unilever Americas, a British-Dutch company specializing in food, personal and home care products.

When looking for a new HR hire, Unilever tries to identify business focus, including communication skills, relationship skills and strategic ability through the interviewing process.

Organizations expect great talent management from their HR leaders because they know what it looks like. That expectation raises the bar for development. Being nice is not the lone prerequisite for HR anymore.

"We're looking for people with great strategic ability, great quantitative ability, customer focus, consumer passion," said Raia. "Those are the kinds of people we want to bring into the function. We feel like we can train on technical HR skills."

There are two broad categories of talent managers: those who have passion for their business, and those who have a passion solely for their own practice, said Kevin Wilde, vice president of organization effectiveness and chief learning officer at General Mills, a Minneapolis-based foodmaker.

"While the second group can do some good work, ultimately it won't be as powerful," he said.

When hiring an HR professional, General Mills looks for people with passion and curiosity about the business. "They're self directed on those things to start with," Wilde said. "It's very hard to develop that interest if they don't have it from the beginning."

Rotation as Development Strategy

Traditional development and education is still a significant part of how companies develop their internal HR talent. At Unilever, for example, HR leaders are assigned mentors, go through 360-degree reviews and take part in the HR Academy, a weeklong program at Four Acres, the company's meeting facility outside London, and at another site in Singapore.

Many large organizations also have HR leadership rotation programs in place to develop executive-level talent. Typically, participants will rotate through a couple of different positions and may relocate two or three times during the first few years of their career, Minnesota's Glomb said.

"It's really designed to give them broad exposure to different HR functional areas," he said. "It serves as a great training mechanism because they're able to practice their skills in different HR functional areas for 12, 16 or 18 months."

Typically, at the end of that time, those HR professionals move into a specialist or generalist role depending on their interest. At General Mills, there are typically two roles within the HR department: experts who stay in a position for a number of years and develop deep experience, and generalists who rotate through and bring in business perspective.

The variety of generalist and specialist assignments, as well as roles outside of HR in manufacturing, marketing and financial services, that Wilde held first at General Electric and then General Mills helped him advance his career. Participating in cross-functional teams and roles outside HR gives developing talent managers valuable exposure to business management and helps them develop their own business knowledge, he said.

Raia, who has been with Unilever since 1995, followed a similarly wide-ranging career path, working on finance projects that went beyond a traditional HR focus. He said the company takes a similar approach to developing its HR talent.

"Oftentimes, we will put people on special projects or business teams where what they are expected to contribute would be beyond what a typical HR professional would be expected to contribute," he said.

Building Executive Skills

That cross-functional experience is good for building business knowledge as well as the soft skills that operational executives typically possess. Diplomatic negotiation and relationship-building skills are just as important for talent managers as they are for business line leaders.

"Unilever is a big, complicated company, and it has its politics just like any other business does," Raia said. "We're looking for people that know how to build relationships [and who will] be able to navigate that complexity to get things done."

HR leaders at Unilever are asked to consider the kinds of relationships they need to build and how they will do that as part of the individual development plans all leaders at the company create.

"I personally have a written plan that identifies seven people that I need to develop relationships with," Raia said. "I've thought about the current state of the relationship, how it should be developed [and] what I'm going to do to develop the relationship in a pretty strategic fashion. That's not atypical."

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General leadership ability is increasingly important for HR leaders to develop, and it incorporates a broad understanding of business beyond functional HR expertise and experience.

Taking the time to build relationships with business leaders outside HR and studying and reading the company's financial statements allows talent managers to see the bigger perspective of what the company is doing and how the practice of talent management fits into it, Wilde said.

"The more you know the business, the more business leaders are probably going to listen to you," he said. "You're not just going to be typecast as someone interested in just HR things."

HR typically operates in silos, rarely collaborating across internal functional boundaries such as recruitment and training and development. Business experience and the ability to work outside HR also positively influences HR expertise.

"That leadership/influence role applies within the function and across the disciplines to bring a stronger talent management solution to bear, rather than just being a super training person or super organizational development person," Wilde said.

Many people become so focused on the technical work of HR they fail to make the connection between what they do and the company's objectives. Raia encourages talent managers to think about the linkage between what they do and the ultimate value produced for a shareholder, and then continue to examine what they are doing in that light.

"The best advice I received early on in my career was to make yourself indispensable to the business — to try to identify what is most important to delivery in the marketplace and figure out a way to make an indispensable contribution to that," he said. "I don't consider myself an HR person. I consider myself a business person who happens to work on HR-related subjects. It's a subtle nuance perhaps, but an important one."

Wilde quoted a GE executive he worked with to make the same point. "He said, 'At the end of the day, this is about winning, having fun and making a buck.' Those three things really stuck with me. Ultimately, you're not in the company to do HR work. You're in the company to help the company win."

Not Either/or but Both/And

Ultimately, HR leaders must be equally well-versed in traditional HR functions and broader business competencies to be successful. "It's very demanding [and] what separates average from great is someone that's working aggressively in both parts of the game," Wilde said.

Simply put, some organizations expect great HR and talent management from their HR leaders because they know what it looks like, Wilde said. That expectation raises the bar for development of HR professionals and requires them to develop business savvy along with functional HR expertise, Doepner-Hove said. Being nice is good, but it's not the lone prerequisite for HR anymore.

"It's not something that you can give to somebody who doesn't know what they're doing," she said. "If someone is a nice person, that's not the qualification for running HR."

Case in point, Unilever's current chief HR officer, Doug Baillie, was president of Unilever Europe before taking on the role. "With one exception, all of the chief human resource officers at Unilever in the past 20 years have been line executives, not HR people," Raia said. "There's recognition that good business thinking is great for the function."

Wilde recommended focusing on three broad business trends to ensure talent managers are preparing for the future: making HR work in global organizations, applying evolving technology and the need for speed.

"Whatever we're producing in HR, we've got to do it in a way that's simpler and less expensive and less burdensome but still have the impact," he said.

Success today doesn't guarantee the same tomorrow. Connecting with business leaders and delivering high-impact talent management in the midst of rapidly changing business conditions is a steep challenge.

"This is hard stuff," Wilde said. "If it was easy, we'd all be doing it."

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The Value of Learning and Performance Integration

Traditionally, learning has been pushed into its own corner of the office. If you have a learning management system, that too may be functioning in a stand-alone fashion. One of the biggest trends in the talent management market is the tight integration between learning, training and development with one's overall strategy, a key part of which is performance.

In fact, Aberdeen Group states that one action an organization must take to achieve best-in-class status in performance is to "integrate learning with performance management, make it readily available and aligned with development plans." It's safe to say that learning has inched its way to the very core of talent management.

> *Organizations must take steps to integrate learning with employee development planning and performance, as well as overall business strategy, to stay ahead in today's market.*

Most learning programs and LMS systems were designed to centralize learning, maintain compliance (especially if you're in a regulated industry) and reduce the administrative and financial burden of these programs. While such benefits are still immensely valuable, organizations *must* take steps to integrate learning with employee development planning and performance, as well as overall business strategy, to stay ahead in today's market.

DEFINE COMPETENCY MODELS

One of the first steps to getting started after a firm understanding of your company's talent strategy has been established (more on this below) is making sure you have a solid and accurate competency framework in place. One example can be found in the Bersin & Associates Talent Management Framework, which identifies four critical tiers of competencies: core, career path, functional and leadership. Incorporating a similarly efficient competency framework into your performance management process is necessary to ensure you've got the right people in the right positions for current and future training.

ALIGN LEARNING WITH INDIVIDUAL SKILLS GAPS

Identifying skills gaps will allow you to align learning activities and development plans targeted at bridging these gaps and allowing employees to take responsibility for their own success. Knowing where the gaps are in your talent base is critical to understanding where your organization should focus its training efforts. Having identified skills gaps and aligned training accordingly, you can more successfully lead employees down their designated or desired career path. In addition to improvement in the performance of your talent, you'll realize cost savings by ensuring the training programs you use are the ones that yield the most benefit.

ALIGN LEARNING WITH CORPORATE STRATEGY

For lasting success, organizations need to offer long-term, blended training programs that are tied to overall corporate and talent strategy. This can be challenging as it requires your management team, at all levels, to have a clear under-

By Jaclyn Branch

standing of the company's short- and long-term needs, goals and benefits. It's critical that those responsible for creating training and development programs align the programs to meet the needs of corporate strategy, in addition to that of the employee, and ensure they're rooted at the core of the process.

AUTOMATE

Automation of the learning management process with software solutions is the final key to merging your performance and learning processes. Just as your process of learning and performance should be tightly integrated, so should your technology solutions. This type of closely-knit automation provides you with a clear vision into which training programs are working and how development is affecting performance. You can also launch learning programs based on performance assessments, competency/skill gap analysis and business strategy. A few other benefits of using performance and learning software include:

- Employees can easily manage their development and training via one destination.
- Ease of staying in compliance, especially for organizations in regulated industries.
- Ensure consistency across all your processes.
- Tracking and reporting for HR and management.
- Virtually eliminate paper from the process.
- As appropriate, reduce costs by utilizing online learning options rather than costly classroom training.

With new challenges facing the marketplace, a highly engaged, motivated and productive talent base is more important than ever. By taking the time to strategically align and integrate your performance and learning management processes through competency models, identification of skill gaps, learning programs tied to corporate strategy and talent management automation, you'll be able to derive greater benefits from your workforce, reduce costs and provide outstanding bottom-line business results. ❖

> *It's critical that those responsible for creating training and development programs align the programs to meet the needs of corporate strategy, in addition to that of the employee, and ensure they're rooted at the core of the process.*

ABOUT SILKROAD TECHNOLOGY

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Work-Life Balance Is Not a Perk

Sherri Elliott-Yeary

Skilled employees have options even in a tight job market. With millennials quickly taking the reins in today's organizations, work-life balance has become a strategic talent engagement tool.

There are more millennials alive than baby boomers. A big workforce shift is occurring, and the timing is significant. Estimates indicate some 76 million boomers will retire over the next five to 15 years, and there are only 46 million Gen Xers coming up behind them. The numbers suggest millennials will significantly impact and influence the future workforce, and they demand a lifestyle balance that is inclusive of work and family at a whole new level.

If an organization wants to be positioned to meet its customers' needs and have talent in the right position for future growth, it must develop an inclusive culture with tolerant, accepting and encouraging attitudes around work-life balance.

ON THE WEB

For more on what young people are looking for in a career, visit http://talentmgt.com/articles/view/despite-troubles-optimism-reigns-among-future-job-seekers

Rethinking Values

Millennials think and act differently from previous generations, and the older generations will have to adapt some of their ways of thinking and leading. Millennials have high expectations for work and life, and as they enter the workforce, employers must evolve, using tools such as social media and work-life programs to recruit, manage, motivate and retain these workforce additions.

They are the next generation of leaders, and some say they are the most high-maintenance workforce in history. They were raised by parents who wanted to give their children all the things they did not have growing up, and that has helped to create a generation that has never experienced true success or failure without parental support.

Work-life balance is not a new idea, nor is it a desire unique to millennials. However, it is a foreign concept for most baby boomers, whose lives often revolve around work. Most millennials require their work to have meaning and enjoyment. They want to believe in the companies they work for, and rather than attach significance to a job as a way to define their lives, their jobs are usually just a means to support their lifestyle.

Certainly, talent leaders must beware generational stereotypes. There is no one-size-fits-all script of characteristics that can be accurately attributed to any group. However, research has proven that some groups do share certain characteristics. In the case of millennials and boomers, these characteristics factor heavily in their attitudes toward work-life balance and their workplace requirements.

Work-life balance is about successfully joining two distinct sides of ourselves in a harmonious way. It is work and life, not either/or. The definition of balance is highly personal. It is not an end state, but something a person strives for, and that process or best mix can evolve.

Public interest and consulting services organization Sedate State held its inaugural summit for business leaders in February, with a focus on the need for work-life balance. The general consensus was that businesses that understand what attracts top talent will be better able to compete for talent and business in the global marketplace. High performers want and expect their employers to make work-life solutions available. On the flip side, business leaders who pursue their own versions of work-life balance make better decisions, can be more effective at strategic planning and more thoughtful in their use of metrics. Further, steps can be taken immediately to facilitate work-life balance.

The Nuts and Bolts of Work-Life

Despite economic constraints, talented employees do have options in the job market, particularly those in

the millennial cohort. This group is often willing to change jobs, careers, cities and states if it means they can have balance and make a difference. As organizations begin to compete for top talent and employee retention, the willingness to address work-life balance from the perspective of Gen Xers and millennials will become integral to their success. Talent leaders should consider offering a mix of flexible schedules, job-sharing, telecommuting and ROWE (results orientated work environment) tenets.

For many millennials, work is only one part of a well-rounded life. They're busy: they play sports, volunteer, participate in clubs, and often don't want to let work take priority. They have seen generations before them make significant family and life sacrifices for work, and they don't want that. They will put in a 60-hour work week to get the job done, but they won't do that every week, and they have to feel connected to the organization's mission and values.

Promoting work-life balance is a business-critical issue and not simply the right thing to do. When talent leaders look at their organizations' needs for the next five years, strategic plans should contain a list of the necessary skills for each critical role, and recruitment strategy must balance knowledge workers and millennials because profitable growth and sustainable business results depend on attracting and retaining top talent.

Work-life policies should allow employees the option to telecommute when feasible, job share, use flexible start and end times with paid time off (PTO) accruals versus sick and vacation buckets that are considered a "use it or lose it" benefit. Companies that offer these work-life balance options will gain a competitive advantage for attracting top talent.

There are lots of good reasons to offer the workforce work-life flexibility. For instance, it builds morale as well as helps retention and recruitment. One study published earlier this year by researchers from the University of Michigan offers another reason: If talent leaders don't help employees balance work and home lives, they will anyway, in ways the organization probably won't like.

The study posits the idea of "worker agency." Essentially, if employees run into a significant conflict between their work and home responsibilities, they will find ways to bend the rules. According to the study: "When the demands of personal and family life come up against rigidity, workers often feel compelled to maneuver around these formal bounds, thus allow-

> Work-life balance is not a new idea, nor is it a desire unique to millennials. However, it is a foreign concept for most baby boomers.

ing them opportunities to attend to … emergencies, crises and unexpected … family and personal matters."

According to a March article from the HR Café, the study, which observed workers in a manufacturing plant for two years, gave the following examples. One man wanted to attend his boys' big football game, and he'd arranged with his supervisor to have time off. When the time came, though, the supervisor reneged, so the worker lied and said he had car trouble. Result: He got to the game, but was demoted. Another worker wanted to be at the bedside of her critically ill father-in-law, but her supervisor refused her the time off because the FMLA doesn't cover in-laws. So she talked to her family doctor, who obligingly said she was under serious stress and put her off work for two weeks.

HR Café writer Stephen Meyer was correct to note, "These companies' get-tough policies didn't work. The employees took the time anyway. All the policies did was turn good workers into cheaters."

Living Life Now

Many millennials fundamentally feel it's important to hurry up and accomplish things, enjoy experiences and relish life, because tomorrow is uncertain. Savvy leaders know that leveraging work-life programs increases engagement, and engaged employees are more creative, productive, motivated and happy. This leads to longer tenure, which results in lower turnover and increased profits. Talent leaders will have to ask employees, regardless of generation, what they need to be fully engaged.

Employees who are asked what they want from their jobs will offer a list of things: meaning, desire for a role that allows them to make a difference or that provides challenging projects and duties, promotes flexibility and of course, balance with respect to work-life options.

Companies that offer options to meet employees' work-life balance can reap significant ROI:

- Fewer attendance problems.
- Increased loyalty.
- Reduced turnover.
- Less time to fill open positions.
- Fewer on-the-job accidents.

What employees may not say but definitely expect is that they want to like the people they work with — including their boss — and they want to feel appreciated.

According to Resultance Inc., a generational consulting firm, there are several simple, actionable steps talent leaders can take to engage and motivate employees using the ROCK STAR acronym:

- **Reachable** — Goals should fit the role and job description and allow the employee to be challenged.
- **Opportunity** — Offer chances to work on new projects, or in new divisions or groups.
- **Challenging** — Challenge employees' skills and abilities to enable them to reach new levels within the company.
- **Knowledge** — Offer opportunities to be mentored.
- **Skills** — On a regular basis assess the skills required for a job and determine what training is required to develop additional skills and abilities.
- **Tasks** — What new tasks can be given to employees who want to increase their learning?
- **Acknowledgment** — When employees go above and beyond, they want to be acknowledged and respected for their contributions.
- **Relevant** — Work should be relevant and congruent to the company's mission and values.

If organizations offer employees opportunities to increase their level of responsibility, growth and development, recognition for achievement, and most of all balance, they will attract top talent, which will improve the bottom line. Often one employee group's motivators are not that different from another's. What is different is how each cohort processes and prioritizes. Talent leaders who have this awareness will retain and capitalize on a highly effective workforce by embracing workplace balance.

Sherri Elliott-Yeary is the CEO of Optimance Strategies, a national HR consulting firm, and author of *Ties to Tattoos: Turning Generational Differences into A Competitive Advantage*. She can be reached at editor@talentmgt.com.

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Connecting Data to the Bottom Line

Gene A. Pease and David Vance

Gathering demographic data from across an organization and isolating it produces clear indications of bottom-line impact, or areas needing improvement.

Today's leading companies use talent metrics to drive management action, behavior change and results, and they're doing it with a methodology that goes beyond dashboard insights. Dashboards offer a crucial tool in an analytics arsenal, tracking per-head productivity, job applicants, recruiting efficiency and new-hire performance. But this data reporting is only one step toward understanding talent investments.

Some of the most exciting innovations in human capital analytics lie not in new technologies and tools alone, but in new ways to understand and leverage human capital data for continuous improvement. To begin, executives must embrace the idea that soft investments, such as performance management, leadership development and social learning, can be accurately measured and analyzed for results.

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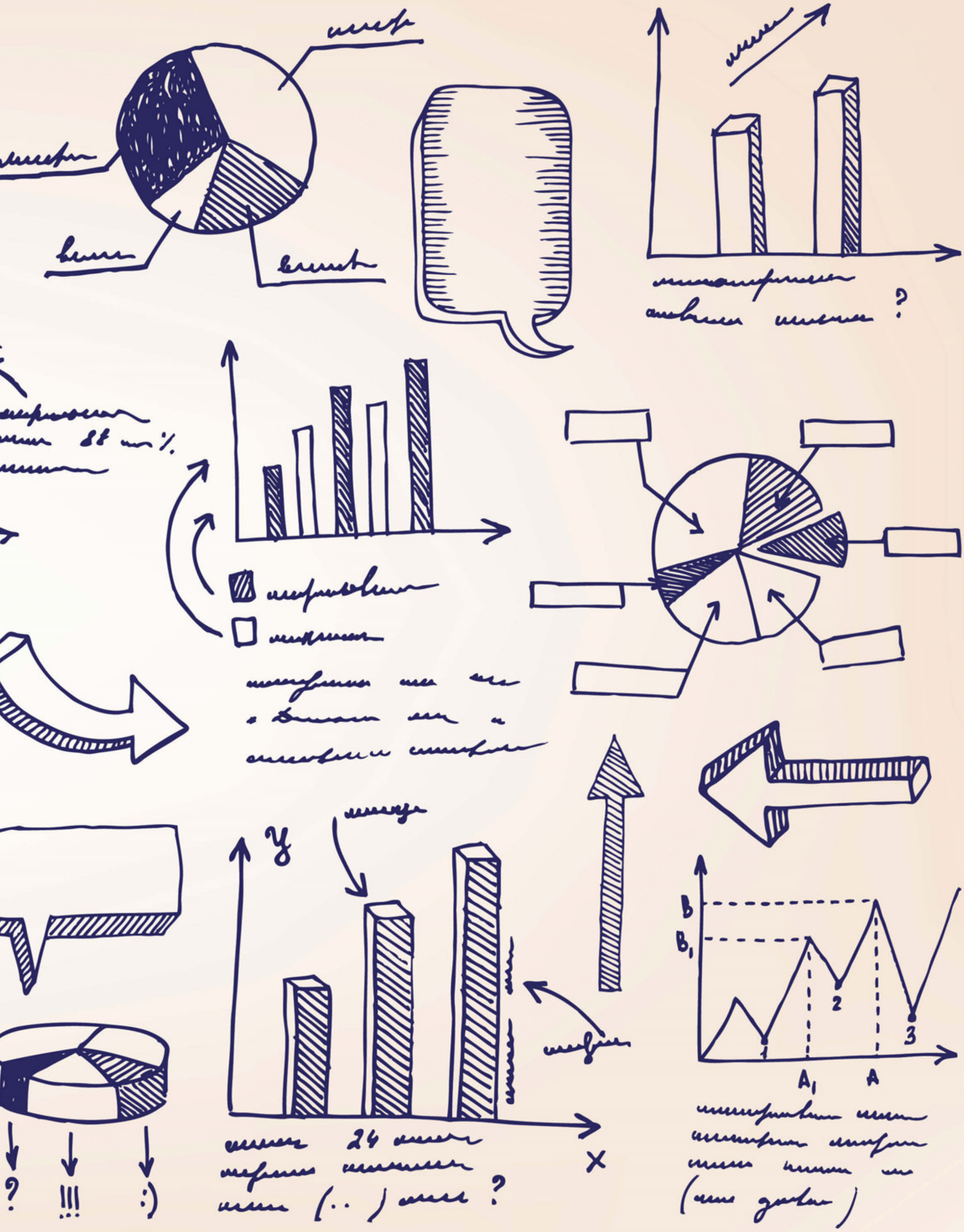
Link Investment to Achievement

The investment must be placed into a strategic business context that links talent investments to corporate goals. It's the elusive but ever-present demand for alignment. The difference lies in looking outside of the HR department to measure performance using data from across the business. For example, a leadership development initiative may impact HR metrics such as turnover and retention, but it also may affect sales numbers, safety metrics, corporate productivity and profitability. By understanding a specific investment's potential to change business performance, talent leaders begin to see what defines success for that investment and how it fits into the overall corporate context, potentially illuminating ways they can partner more effectively with their line of business peers.

The framework that links talent investments to corporate goals provides a starting point for a targeted study into an investment's business impact. A business impact study pulls data from throughout the organization and uses a statistical methodology to isolate the investment's effects. This piece will examine two such methodologies: demographic segmentation and isolation of business impact.

Demographic Segmentation

Demographic segmentation takes data from disparate systems and organizes information about different employee groups. When combined with performance data, companies can use demographic segmentation to understand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impact and optimize investments in human capital. For example, let's say a multinational energy company found that manager involvement was a key factor in a participant's success in a leadership development program. Optimization leverages impact findings to change the investment for greater impact in the future. The energy company initiated a step to ensure manager support before an employee was ever sent to the leadership program. Not only did this change increase program success, it also provided cost savings by ensuring that employees without manager support were not permitted to attend the training.

What if that same energy company also learned the leadership development program drastically reduced turnover of trained leaders — an unintended benefit that could not have been uncovered by simply monitoring turnover data? Of the population targeted by the training, only 2 percent who left during the study period went through the leadership development program. This turnover reduction could provide cost savings that paid for a five-year leadership initiative in just two years. Demographic segmentation would reveal that data, which most organizations don't routinely cut in this way. Cost savings are the business impact, and the optimization comes in when the energy company targets retention by sending employees to the leadership development program.

Employee skills and experience comprise a huge percentage of an organization's assets. Today's competitive marketplace calls for increasingly specific intelligence about the ways human capital investments impact workers. To make the challenge greater, the workforce is rapidly changing. Globalization, the shift from baby boomer to millennial generation employees, increased specificity per job role and other trends create a level of diversity in which a one-size-fits-all approach to talent development no longer works.

Demographic segmentation looks at how key groups respond to a particular intervention, giving insight into differences in geography, department, age or gender. When companies understand these variations, they have intelligence to use in planning talent investments. Such understanding creates options. As VF Corp. found out, certain insights can only be gained by looking at results by demographic group. Collecting new data is typically not required — demographic segmentation can be done on data the vast majority of companies already collect.

When VF Corp., parent company of more than 30 apparel brands including Wrangler, The North Face, Lee and JanSport, introduced a new performance management process, leaders wanted to know how it was contributing to corporate growth. The first step to understand impact was to evaluate compliance: Were employees engaging in the process and did participation differ by division? VF compared two divisions: a legacy brand with a long company history and a newly acquired brand.

Segmenting compliance data — completion of personal performance plans — by demographics revealed important information. In both divisions, overall compliance was high. The analysis segmented data by age, which revealed that older employees were approximately 40 percent less likely than their younger counterparts to complete plans. By ethnicity, the company found one division showed a significantly lower completion rate among minority workers. Such findings lead to a variety of next steps and corrective actions. For example, a survey of older workers could reveal why they are less likely to create performance plans. Once the cause is known, a solution could address it.

Isolation of Business Impact

While demographic segmentation provides important insight, companies need advanced analytic methods to isolate the business impact of an intervention and optimize it to drive desired outcomes. The methodology is analogous to a drug trial, using control and test groups and examining prior and post-performance to isolate the investment from the other variables in the environment. Without isolating the investment's impact, changes in business results could be attributed to myriad other factors that affect employee behavior. These factors exist within the company — such as other corporate initiatives; and without — such as global economic factors.

Human capital analytics can be used to drive a talent management strategy, design programs for maximum impact and modify initiatives to reach more employee groups.

Talent leaders are used to hearing success attributed to other areas, such as great marketing or customer relations. Isolating an investment's impact from these other factors means showing with statistical certainty what level of impact can be attributed to a particular program. To illustrate this point, consider the sales training at Chrysler dealerships. A new training program was deployed in 2004, and sales numbers went up overall. The company's analysts knew fully trained sales people in the dealerships were selling, on average, 35 more vehicles per person than untrained sales people. Many departments wanted to take credit for the increase — it was because of a new advertising campaign, innovative new products, attractive financing options, and so on. Advanced analytics performed in 2008 were able to isolate training's impact from these other factors, showing training was responsible for an average of 15 of that 35 vehicle increase.

Once impact is understood, leaders can confirm that training is having the intended impact on business results and adjust the intervention in areas where it is not, accelerate or increase performance by targeting particular audiences where impact is the greatest, and make better-informed decisions about investments in future programs. The Chrysler training group used the 15-vehicle finding to better market sales training to dealers, which is a prime example of optimizing business impact.

Further, one study finding indicated training new sales representatives reduced turnover of those new hires by helping them to sell better, faster. Previously, dealers had long been reluctant to send newly hired salespeople to training because it was a costly investment in a high-turnover group. The 15-vehicle increase combined with the reduction in turnover drove corporate training to offer a 90-day protection plan to dealers — if their new salespeople left within 90 days of completing training, the dealer would receive a refund on the training investment. The benefits to dealers — and, in turn, the company — were significant, since their people were equipped to sell.

ConAgra Foods applied these techniques to a leadership development initiative with a two-fold goal: to cultivate leaders from within and build a unified culture among all divisions. Once the multi-year curriculum was initiated in May 2008, ConAgra began to analyze data and calculate program impact on leader retention and mobility. Initial findings showed turnover among trained supervisors was 6.1 percentage points lower than untrained supervisors — a value of $2.3 million in the first year alone. Further, the company learned supervisors who were trained early in their management tenure — within two years of hire or promotion — stayed in the organization significantly longer than untrained supervisors and those who were trained later in their management role.

Again, these types of targeted findings aren't possible without pulling data from across the organization and segmenting it by numerous demographics. Further, statistical analysis and a scientific methodology allow the investment's impact to be isolated from other factors.

Four Lessons for Effective Analytics

Human capital analytics can be used to drive a talent management strategy, design programs for maximum impact and modify initiatives to reach more employee groups. To build a framework for advanced human capital analytics, talent leaders must remember four lessons:

Align investments and set clear expectations. For example, before initiating a program, establish the relationship between the investment and a corporate goal. The most effective way to do so is to collaborate with stakeholders in other areas of the company. What change is the program expected to bring and what impact is expected on the corporate goal? What resources will be required to develop and deploy the program? What role must the stakeholder play? What are success markers? Getting answers in advance will help shape the investment and ensure all stakeholders have responsibility for its success. Further, it ensures the investment is measurable.

Think like an executive, act like a scientist. Business leaders assess investments in terms of their impact on the company's bottom line. Talent leaders also need to view talent development programs, for instance, as contributing to overall strategy and organizational goals. But establishing the connection between talent development and corporate strategy must be more than a philosophical exercise. Top organizations are taking a cue from science, going beyond data correlations to establish causal effects between initiatives and business outcomes by establishing leading indicators that connect soft investments to business metrics. In a sales training initiative, for instance, the number of leads in the sales pipeline is a leading indicator of sold deals to come. So, look at pipeline leads for trained sales representatives and compare those to the number of leads untrained representatives show.

Don't try to boil the ocean. With the prevalence of corporate data collection, HR information systems and enterprise resource planning, workforce information is more available than ever before. That doesn't make every program a good candidate for an impact analysis. Choose a program that will provide proof of concept, usually one that is a substantial investment of cost and time — and that has significant strategic value. Initiatives such as leadership development and performance management are ideal as they are key strategic investments, involve multiple company functions and are long-term or ongoing, allowing findings to be applied for better future returns.

The selected initiative should be linkable to at least one business outcome and have a high expected impact. As a starting point, choose an investment that has these criteria, as well as good data available through existing dashboards and reporting systems. Once the project has been identified, design the study to be representative but not overly complex. A company with multiple brands or divisions, for example, might select two areas to compare rather than evaluating the entire organization. Doing so allows it to eliminate certain factors and focus on the most relevant issues.

Start the journey. Organizations should begin their human capital measurement strategies right now. No matter where a company is in its adoption of human capital analytics, valuable information can be gleaned from existing data. And once started, never stop. Talent leaders must continuously monitor change and adjust as new needs emerge.

Human capital analytics can yield insights into a company's workforce behavior and talent investments, and more companies are adopting these techniques. Even in these tough times, a growing number are making the decision to invest in their people, and to understand the impact of those investments. Doing so provides more than justification for programs; it provides the opportunity for leaders to use talent development initiatives to drive bottom-line success. TM

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Data on the People, for the People

Laurie Bassi and Dan McMurrer

Information isn't just about facts and figures. Talent leaders can humanize metrics to ensure employee data is appealing and actionable for the CEO and other senior leaders via a four-step process.

Never has employee measurement and analysis been more important than it is today. Talent is a large and growing premium employers enjoy, and for good reason. Top-tier people-management strategy can ensure companies' stock prices appreciate much faster than their less-talent-worthy counterparts. Further, companies that have superior human capital management practices significantly outperform the market.

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As a result, human capital management is emerging as an essential organizational competence, and a central component is the ability to use metrics and analytics to create actionable business intelligence for talent.

There are two approaches to traditional human capital measurement systems. Think of the first as an HR life cycle approach. It captures key measures for HR processes throughout the employee life cycle, from recruiting to departure. These measures often reflect success rates in talent leaders' efforts to add, develop and retain employees (Figure 1).

Think of the second measurement approach as the CEO's approach. Measures are determined from the CEO's perspective of talent management, not HR. While this seems like an unambiguously better approach, for many HR functions it is only aspirational — they do not yet have the data and technology to support the CEO's perspective. Measures to consider for this approach would include employee cost and performance, skills and learning, time-to-fill, turnover by segment, external labor market indicators and forecast movements, and an index of the top 10 human capital drivers of business outcomes. These could be determined through analysis of a well-designed employee survey.

Implementing a Measurement Plan

First, talent leaders should identify which approach is most practical now and ensure they are measuring a full range of items from the aforementioned categories. If it is not yet possible to implement the CEO's approach, steps should be taken to move the organization in that direction. Doing so will greatly enhance the reputation and influence of the HR function. Tackling these issues from the CEO's mindset also will resonate more with senior executives.

Regardless of which stage of maturity the organization occupies, the focus always should be on measuring what is important — the human drivers of business results — and not simply what might be easy to measure. Something may be of passing interest to senior

FIGURE 1: KEY MEASURES THROUGHOUT THE EMPLOYEE LIFE CYCLE

Recruitment
- Time to fill
- Percent of offers accepted
- Median time to hire

On-boarding
- An index of key items measuring the effectiveness of the on-boarding process
- New hire failure rate

Development
- A small number of summative measures on efficiency, effectiveness and impact of an organization's employee development programs

Succession
- Percent of positions filled internally

Retention
- Turnover rates (by key segments)
- Primary reasons for leaving

Identify and track drivers of key business outcomes
- An index of the top 10 human capital drivers of outcomes (determined through analysis of a well-designed employee survey)

0,4
10%
70%

executives, but they care about talent drivers of business results.

There are two traps to avoid, however. The first is employee engagement. Businesses exist to produce results, not to maximize employee engagement. Hence, rather than including traditional, one-size-fits-all engagement measures, the organization's metrics should focus on those people-related inputs that are the strongest drivers of its business results. For example, organizational performance is heavily influenced by factors that include work processes, quality of hiring practices and accountability — all factors that are typically not among the top drivers of engagement.

A good employee survey should include questions about work process effectiveness, the extent to which hiring processes result in the most qualified applicants being hired, and the extent to which people are held accountable for producing quality work. As a general rule, it is best to be as inclusive as possible in the employee population asked to respond to the survey. Although it does take some extra work, the talent-related drivers of business results can be identified by using a well-designed employee survey and deploying standard analysis methods.

The second measurement trap to avoid is an over-reliance on benchmarking. For example, knowing that an organization scores at the 25th percentile on question nine in a one-size-fits-all employee engagement survey tells nothing about whether the organization should focus on that issue to drive business results. Unless the organization is average in every way, relying heavily on comparisons with external averages likely will yield misleading information. To have a real impact, measurement must go hand-in-hand with organization-specific analytics.

The How-to of Analytics

The objective of human capital analytics is to create actionable business intelligence about talent. The process involves mapping disparate pieces of data together — typically people metrics from an employee survey and key performance indicators — in hard measures and soft proxies.

For example, at Nationwide Insurance, measurement dovetails analytics. Every month Nationwide produces a human capital scorecard that includes measures such as headcount, turnover, span of control and engagement. A color-coded system is used to show trends and progress against goals.

"Because our scorecard produces alerts, we are often asked to take a closer look at what is behind the numbers," said Scott Nemeth, a senior consultant in human capital analytics at Nationwide. "Is it a manager issue? A compensation issue? What's going on across various geographies, pay bands and ethnicities? This is where analytics really comes in, helping us to determine what is driving turnover. For example, in one case, the turnover analysis led us to do a further analysis of the hiring process. The insights from that analysis now help us to make better hiring decisions, which in turn improve turnover.

"With regard to span of control, one function kept showing up red every month. We did analysis to identify the opportunities for improvement. The analysis really got the attention of our leaders, and they took action. Within a year, span of control improved significantly. And this, in turn drove improvement in lots of other metrics such as engagement."

Analytics is a four-step process. Talent managers should:

1. **Develop measures for the human drivers of performance.** This is best done through a "smart" employee survey — one that goes beyond traditional one-size-fits-all notions of employee engagement that may or may not be the most important drivers of organizational performance. These surveys typically cannot be fully anonymous — anonymity makes step three below impossible. However, if the survey is conducted by a reputable external survey group, employees' responses all can be kept anonymous within their organizations.
2. **Focus on the right key performance indicators.** The right key performance indicators (KPIs) are:
   - Measured frequently.
   - Of critical interest to, and acted upon by, the senior management team.
   - Able to provide actionable information — guidance on necessary corrective actions.
   - The responsibility of an individual or team.
   - Able to be measured comparably across multiple individuals or teams.
   - Likely to have significant impact on multiple business outcomes.
   - Positively associated with other performance measures.
3. **Use appropriate quantitative methods to link these measures to performance.** This will be determined primarily by the number of data points available for analysis, which are determined by the appropriate unit of analysis for the KPI under consideration — individual, team or business unit. When the number of units of analysis is small, the appropriate statistical techniques will be relatively simple. If a large number of analysis units is available, more complex techniques can be used.

   It is important to keep in mind that during the initial stages of an organization's analytics evolution, it probably will be necessary to settle for less than perfect analysis. For example, it may only be possible to establish a contemporaneous correlation between the organization's people metrics and its KPIs, as opposed to proof of causality. And while it is true the implications of a correlation should not be overinterpreted, it is also true that disregarding this evidence is a potential missed opportunity.

4. **Present the analysis in a simple, easy-to-understand format.** A critical factor that will determine the success of an HR analytics project is how effectively the findings and insights are communicated to the stakeholders. Regardless of the sophistication and complexity of the analysis itself, the presentation of the results should meet the following standards:
   - Be simple and clear.
   - Offer a summary form.
   - Use visual and graphical ways to present information whenever possible.
   - Be actionable, including recommendations.

For example, Cisco relies on its channel partners as a principal distribution channel for its products. Helping partners grow and improve their business is a constant priority for Cisco, and talent management is critical to business success. Knowing that, Cisco used talent management analytics to help partners prioritize talent management issues.

Step one involved deploying an employee survey to quantify the management and development of people within each partner organization. By linking variations in these measures across partner organizations to variations in their business outcomes, step two and three, Cisco was able to provide each partner with a fact-based, prioritized strategy to drive better results through highly targeted, customized initiatives tied to the company's unique requirements, step four.

"Our partners have given us positive feedback about the analytics consortium. It seems to have captured the attention of our partner executives, and is helping them recognize and prioritize talent management issues," said Jim Hamilton, manager of partner talent programs at Cisco.

Following the measurement and analytics steps outlined above will create a solid foundation for talent leaders to help their executive teams understand what people-related factors are most important to the organization, and it will help their companies enjoy the benefits of being a good employer — in all respects.

Laurie Bassi is CEO, and Dan McMurrer is chief analyst at McBassi & Co. They co-wrote *Good Company: Business Success in the Worthiness Era*. They can be reached at editor@talentmgt.com.

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Dialogue for Development

Randy Emelo

Sometimes a simple conversation can unearth targeted development options that may not come to light through observation alone.

Imagine this scenario. Sarah, a new manager who was promoted from within her team, says to her supervisor, "How do I get my team to start showing me more respect?" What should the supervisor do? Immediately offer advice about earning respect? Tell stories about how he had to earn respect? Or does he engage Sarah in a conversation to flush out more details about her issue and help her find a solution she can act on?

Too often, leaders and managers voice their suggestions before a conversation has progressed far enough to unearth the root issues behind a situation. Other times decisions are made without considering past lessons or future implications, which can result in unintended consequences for employees and for the organization.

Talent managers can use a developmental dialogue to avoid these pitfalls and ensure that all parties learn from the past, appropriately consider the future, explore options and actually take appropriate actions. This dialogue can accelerate learning for the workforce and increase organizational effectiveness.

The Dialogue Process

Developmental dialogue allows employees to identify opportunities for growth and learning, while simultaneously allowing talent managers the freedom to work alongside direct reports. The model (Figure 1) uses a cyclical process that moves conversations along four milestones: reflect, envision, explore and act — and there are tangible benefits at each milestone:

1. **Reflect:** Enable people to invest an appropriate amount of time in learning past lessons and understanding the current situation.
2. **Envision:** Ensure people clearly see and understand desired outcomes, and provide them with a route for current and ongoing conversations.
3. **Explore:** Offer people an opportunity to discuss options, possible courses of action, and consequences of such, giving them the time to sort through and narrow down ideas.
4. **Act:** Propel people to make a decision, choose a path of action, or take a first step toward a solution.

Each of the four steps in the developmental dialogue process does not require equal amounts of time, but each should be considered. For example, if Sarah and her supervisor start at the explore step and begin looking for solutions to her problem right away, they may overlook vital information about what is causing this problem or what Sarah wants to gain from a solution. Even five minutes in the reflection or envisioning stages can bring clarity and focus.

People can enter this sequential process at any point. For instance, once people complete the act phase, they can circle back, reflect on the outcomes, explore options for midcourse correction, and decide on appropriate actions. People could even condense these steps into one complete conversation so action is always the result of every dialogue. This kind of dialogue helps keep the talent conversation flowing, moving individuals and organizations toward the kind of collaborative learning environment that can unleash potential talent.

Once the full developmental dialogue cycle is complete and action is taken, it is natural for people to come back together, reflect on what occurred and make adjustments, starting the process over again. This type of personalized conversation has more impact than generic advice, and it provides a way for employees and managers to engage in productive conversations that can align the needs of the individual with those of the organization. Then, all parties can move forward with understanding and clarity.

The Four Phases

Over time people will move through the four phases of the developmental dialogue many times and in many ways. It's important that employees be able to look back and see progress that highlights how they have grown in their understanding of a topic, handling of a situation or attainment of career skills.

1. **Reflect:** Reflective conversations allow people to discuss motivations, search out greater awareness of intentions and future desires, and outline understandings that can help recap important points as they emerge. When Sarah approaches her supervisor about earning respect, he should start a developmental dialogue with her to completely understand the current context before jumping to conclusions or giving advice. He can help Sarah see where she needs to gain more understanding or insight by asking questions that dig deeper into her view of respect, how disrespect is being demonstrated, her emotional state, whether she is taking any responsibility for the situation, and how to resolve it.

2. **Envision:** After reflecting on the past and present, resist the temptation to jump to an immediate decision. Instead, stakeholders should determine what they want the future to look like. Shaping an appropriate vision and the desired outcomes gives the dialogue a sense of direction and movement, and creates motivation and engagement.

Through dialogue with her supervisor, Sarah reflects and realizes she has failed to give appropriate feedback to her team out of fear of rejection by her former teammates. Her first attempts were met with resistance, but long-term this team has great potential for effectiveness, and Sarah believes she can grow into a quality leader with the right guidance — the envision step.

3. **Explore:** People tend to begin their journeys at this step, and it's understandable why they want to immediately explore solutions, but it needs to be done at the right time and with the right frame of mind. Understanding the past, envisioning the future, and then exploring possibilities and options will help people see the entire picture and give forethought to actions they may want to take.

Sarah and her supervisor take a candid look at the core issues at play in her dilemma. They brainstorm a number of options and arrive at two workable approaches: Meet with each team member individually, explain the critical nature of the situation and discuss the contribution needed from the team member to meet deadlines, or hold a team meeting and ask the team what needs to be done by each member to meet deadlines. Each approach has strengths and weaknesses. Now Sarah has to move the dialogue with her supervisor from options to decisions.

FIGURE 1:
OPENING THE DOOR TO THE RIGHT CONVERSATION

To effectively apply the Developmental Dialogue Model, consider using the following questions for each phase to spark appropriate conversation.

REFLECT:
1. What is your current understanding of …?
2. What bothers you most about your present situation?
3. How would describe where you are now on this journey?
4. What are your current assumptions about …?
5. What have you learned so far about yourself?

ENVISION:
1. If you were the best in the world at this, what would define your success?
2. What is the highest result you can hope for?
3. What could you accomplish if you had no limitations or restrictions?
4. What organizational goals and business needs align with this outcome?
5. Where are you currently as compared to where you want to be when you envision your future?

EXPLORE:
1. What have others done in similar circumstances that has worked or not worked? Why?
2. How could you get additional information, support or resources?
3. If you did nothing, what would change regardless? What would get worse?
4. What else might be possible if you changed a few things under your control?
5. What is most important to you or non-negotiable?

ACT:
1. How would you describe the specific goal in terms of time and measurable results?
2. What are some steps you could take? What should you do first?
3. Can you commit to this course of action? Are you comfortable with it?
4. Do you see the implications of …? Are you aware that …?

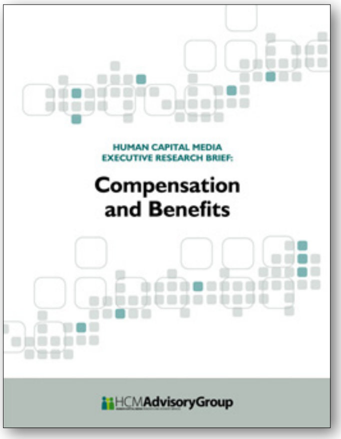
4. **Act:** The goal of developmental dialogue is change, be it in behavior, affecting circumstance, a goal or an attitude. Each person's path to change will be unique, and helping people act can be harder than it sounds. Some people go around and around in the option cycle, trying to find the perfect solution. Others get sidetracked by less important details and lose sight of the most important aspects of the decision. Talent managers can help people determine the appropriate sequence in which actions or tasks should be enacted. They also can provide ideas on how to measure success.

Sarah's supervisor helps her understand that she must grow in her leadership skills to achieve her ambitions. With his guidance, she sees that she needs to begin this change by taking decisive action to pull her team together to meet deadlines. Sarah decides to take the team meeting approach she and her supervisor had brainstormed during the exploring stage. She believes her team will respond better to a group setting and will engage in a productive problem-solving conversation if all team members participate. This indicates a crucial understanding of her team and a new step forward on her journey as a leader.

Sarah decided to lead the team meeting using the four stages of the dialogue process. She began by admitting her own failure in giving appropriate feedback, taking responsibility for the decrease in performance and inviting each team member to reflect on the state of affairs and a looming deadline. She then had the team envision what they needed, as individuals and as a group, to become more productive and committed to accomplishing not only this project, but other large projects in the future. Next, the team brainstormed changes that could get them up to speed quickly on the project. Lastly, Sarah asked each team member to state exactly what commitments they would make to accomplish that goal. She committed to doing her part in giving appropriate feedback and helping the team track progress toward the goal.

In the end, this developmental dialogue approach helped Sarah recognize weak areas of her own leadership skills, and also helped each team member make commitments to the whole team, not just the boss, ultimately providing them with a plan to meet a critical deadline for the organization. This result would not have happened if her supervisor had simply given her a few tips on earning or demanding respect.

Randy Emelo is president and CEO of Triple Creek, an enterprise mentoring systems provider. He can be reached at editor@talentmgt.com.



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by Ladan Nikravan

Expertise Is the Golden Ticket

At IBM, increasing workforce quality and performance means equipping staff with the necessary skills and drive to do their jobs.

Leaders at Big Blue understand that driving growth in today's business environment requires a detailed focus on workforce capabilities. Diane Gherson, vice president of talent at IBM, works with 1,000 employees in HR to serve IBM's 425,000 employees and is responsible for recruitment, mobility, learning, executive development and placement, and workforce management. These pieces are part of a larger system IBM uses to develop and retain the technical talent crucial to its success and ability to maintain its tradition of innovation.

TM: Describe your company's approach to talent management.

GHERSON: We set out to be an organization operating in an inspiring environment and creating progress for the world. That's our overall mission. We need to continually create employment and leadership practices that attract, retain and develop forward-thinking leaders and thinkers. We need to create an inspiring work experience where people can do their best and achieve their full potential. We need to be able to execute, to actually deliver what we're trying to deliver through a performance management program and a career structure that facilitates that.

TM: That's a hefty mission — how do you start?

GHERSON: Starting from recruitment, it's through selection. We want to be able to attract and select the people who will enable that mission. New employees join a virtual community once they join the company and belong to that community for the first two years. It starts with that and making sure we select against the competencies that we know enable people to be successful in this environment.

We have nine competencies and just went through a process of refreshing ones that were developed 10 years ago. The competencies we have today are: Partnering for client success, embracing challenge, collaborating globally, acting with a systemic perspective, building mutual trust, influence through expertise, continuously transforming, communicating for impact and helping IBMers succeed. Those are the things we look for when we hire, in the way we interview candidates and also in their backgrounds. We get this message out through our brand work as well, so we attract those people long before they apply for a job.

As an example, we have a newsletter that 20,000 people have subscribed to, that we send every quarter about careers in IBM. That's the way we get out what we're looking for and what's distinctive about IBM. We go through the selection process, and then we build career structures and roadmaps for people once they come to help them achieve their potential and fill the very important skills gaps that we have as we chart out our business strategy. Leadership development is a really important part of that because leaders create the environment for people to innovate and for people to learn and be engaged.

TM: How has the organization sustained talent management while growing so much globally?

GHERSON: It's continuous reinvention. That's a characteristic of IBM. We have a lot of disruptive change inside the company. A great example is, at the end of last year we were thinking about the fact that we were going to turn 100. What would be a way for us to create something of value for the company? We discussed what the future of work is going to be, how we're going to be challenged, what that's going to mean for us. That's the way our leaders think: Never be comfortable with the current, present or past, always think about what the future's going to bring us. What will be the impact of social networking, will people still want to work for companies or will they want to hide out at home and participate via the Internet? What will be the impact of having a social reputation that's more important than an internal company reputation?

TM: What challenges impact talent management in your organization?

GHERSON: An area that we're working with quite actively is China. China is a huge source of growth for us, and yet from the standpoint of leadership, it isn't as developed as many of our other matured, large economies. How do you bring the level of leadership to the level you need for high growth while you're growing really, really quickly in an environment that is so different from where the vast majority of your leaders come from? We've typically used international assign-

“We set out to be an organization of forward-thinking employees who are operating in an inspiring environment and creating progress for the world.”

— Diane Gherson, vice president of talent at IBM

ments quite aggressively, but we’ve got to do a better job of accelerating the growth of people who are there. We’ve created some accelerated development tracks that enable employees not to be out of the market for too long because it’s important that we continue to leverage all of the talent that we have, but we’re giving those already in China a break while we bring in folks who share their job from a mature market to coach and mentor them while they’re in learning mode.

TM: Define your company culture. What role does it play in talent strategy and how do you build it?

GHERSON: It’s really important that people understand being global is important to their future success, which means traveling, getting to know other cultures, taking assignments in other countries. So, we’ve crafted career dialogues for our managers to have with their employees about that and their skills and how they will grow their skills by working in different environments. We also have an online survey that employees can do to see if they have the skills needed to operate in a global environment, and what are some of the issues they need to work on to facilitate their engagement to take a global assignment.

Building expertise is also an important part of the culture. We have an enormous amount of virtual learning opportunities for our folks and career tracks so they can figure out where they are in their skills and how to get to the next level. It’s an environment that’s supported by the concept that your expertise is your ticket, and we’re there to help you develop it and leverage it.

TM: How have your talent management activities contributed to the bottom line?

GHERSON: While I can’t provide exact numbers, we know it’s an expensive process to hire someone,

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by Sylvia Ann Hewlett and Ripa Rashid

POWERING CHINA'S ECONOMIC FORCE

Recruiting and hiring talented women isn't enough. Global organizations expanding in China should help China's career women overcome biases and keep their goals on course.

It's been little more than a generation since Chinese politician Deng Xiaoping famously stated in 1978 that "to get rich is glorious," and the People's Republic of China has transformed itself from an impoverished, isolated nation into a powerhouse in the global market. Yet its continued success — and that of the multinational corporations pinning their financial future on the world's second-largest market, according to the United Nations Statistics Division — faces a serious obstacle: a cutthroat war for talent.

According to Manpower's 2010 Talent Shortage Survey of 35,000 employers across 36 countries, 40 percent of employers in China had difficulty finding the right people to fill openings, a 25 percent increase since 2009. Similarly, 92 percent of companies surveyed by Kelly Services say their competitive power is "affected" by the shortage of key talent, and 23 percent are "greatly affected."

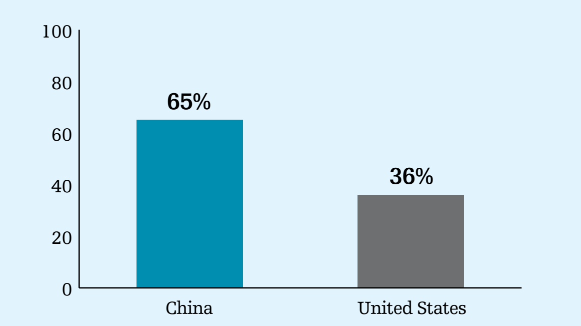
Research conducted in 2010 by the Center for Work-Life Policy (CWLP) suggests a solution: leverage China's ambitious, educated women. Few employers have maximized the potential — or realized the power — of China's white-collar female professionals. Fewer still are aware of the complicated career dynamics of this talent pool.

Chinese women are graduating from universities at nearly the same rate as men. Close to 4 million pour into the Chinese workforce each year, according to the World Bank Education Statistics Database. They make up nearly 40 percent of MBA students at top-ranked programs at China Europe International Business School and Tsinghua University — nicknamed "the Chinese MIT" — comparable figures to the best schools in the U.S. But the similarities to the West end there.

Among more than 1,000 Chinese college graduates of both sexes surveyed by the CWLP, 65 percent of the women consider themselves "very ambitious," compared to 36 percent of their U.S. counterparts (Figure 1); 76 percent aspire to a top job versus 52 percent of Americans (Figure 2).

"We often find female candidates to be as competitive, if not more so, than their male counterparts," said Adeline Wong, head of HR for Booz & Co. in greater China.

FIGURE 1: PERCENTAGE OF WOMEN WITH HIGH AMBITION



Source: Center for Work-Life Policy, 2010.

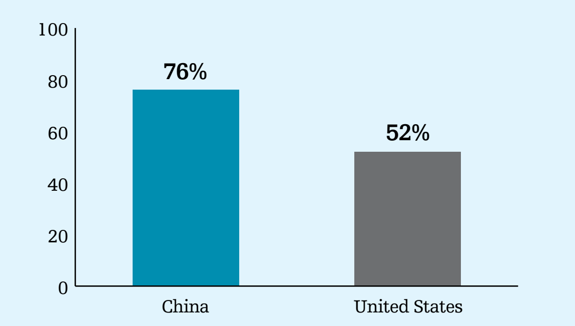
One reason for their drive: China's one-child policy. Introduced in 1979 as a strict population control measure, the policy has had important ramifications for women who are now in their 20s and early 30s, especially in the urban areas where it was most heavily enforced.

"Because I was 'the only,' I was the target of my father's fierce ambitions," recalls one executive surveyed. "If I'd had a brother, this would not have happened." Taught by their parents that they are just as good as boys — "if not better," says another anonymous survey respondent — "[we] definitely don't have an issue with self-worth."

Yet, a powerful combination of cultural traditions, gender bias and the demanding nature of today's extreme jobs can derail even the most motivated, high-performing woman. "Yeah, we hold up half the sky," said a female senior manager for a multinational pharmaceutical company, echoing Mao Zedong's famous proclamation, "but there are 5,000 years of history dragging us back."

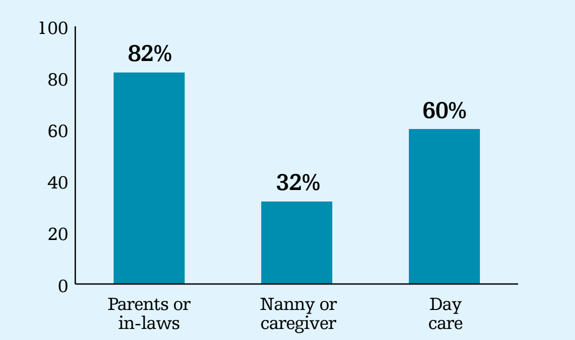
Comparatively speaking, child care isn't the career-crippler it can be in the West. The vast majority of the Chinese women surveyed — 80 percent — had mothers who worked, and there is no social stigma in sending one's child to day care, boarding school or to live with a grandparent during the work week (Figure 3).

Figure 2: Women Who Aspire to a Top Job



Source: Center for Work-Life Policy, 2010.

Figure 3: Child Care Options for Full-Time Working Mothers in China



Source: Center for Work-Life Policy, 2010.

One senior manager with a multinational services organization drops off her 2-year-old daughter with her in-laws every Sunday evening and picks her up on Friday, and this is a typical scenario. “Of course, I miss the chance to be with my daughter, but working mothers have to focus more on work,” she said.

But if child care isn’t a career threat, elder care is. Every woman in China knows being a good daughter or daughter-in-law unquestionably trumps satisfying personal career ambitions, no matter how successful that career may be. “In our culture, we take care of our parents,” said one executive in the financial sector. “Whenever they need me, I will be there” — whether that means relocating to be near them, as this woman planned to do, taking a less-stimulating job to free up time to spend with them, or leaving the workforce entirely.

Among the Chinese women surveyed by the CWLP, 95 percent already have elder care responsibilities. Every woman personally interviewed knows someone who put her career on hold to care for an aging relative. More than half — 58 percent — of Chinese women also provide financial support to their parents or in-laws — an average of 18 percent of their annual income, the CWLP data showed.

A similar number of Chinese men are in the same boat: 93 percent of the men surveyed already have elder care responsibilities, with 67 percent providing financial support.

The pressure of being a good daughter or daughter-in-law can be crushing: daughterly guilt affects 88 percent of the women surveyed. Adding to a high-achieving woman’s burden, China’s one-child policy means women in their 20s and early 30s have no siblings to share the load. China’s rapidly aging society will only intensify the problem.

Despite communism’s push for egalitarianism, gender bias continues to limit women’s potential. Some 36 percent of both men and women surveyed believe women are treated unfairly in the workplace. Problems of bias have been severe enough to make 48 percent of the women responding to CWLP’s survey disengage or consider quitting their jobs.

It’s not just male bias that can get in the way of women’s advancement. When it comes to projecting the management style, communication abilities and executive presence required to succeed at multinational corporations, Chinese women can be their own worst enemies. “There’s a high level of humility, self-deprecation and apologizing,” said a partner at a global consulting firm.

Compounding these burdens are crushing work schedules: Survey respondents in full-time jobs routinely chalk up working weeks of more than 70 hours. Driven by the global span of operations, the situation is getting worse. Nearly a third — 31 percent — report putting in more time than they did three years ago — an average of 18 additional hours per week.

Further, they are spending a sizable portion of their time stuck in traffic. IBM’s 2010 Global Commuter Pain Study ranked Beijing traffic as tied for the world’s worst; Shanghai isn’t far behind. “The traffic is a huge waste of time,” said one financial services executive. She said being able to work remotely would not only help her juggle family and work, it would add to her efficiency by eliminating two hours of commuting time each day. But face time is a cultural norm that has a huge impact, not just in China but across Asia. Virtual work options and flexible work arrangements are rare in China.

Multinational organizations expanding their presence in China, and Chinese companies extending their reach into the global marketplace, have a unique opportunity to help China’s career women keep their ambitions on course. Programs such as GE Women’s Network and Women at Intel Network help women overcome cultural challenges through initiatives aimed at boosting their self-confidence, inter-cultural communication skills and networking ability. Cisco’s Extended Flex program formalizes telecommuting, flexible time and part-time work, giving flexible work arrangements corporate credibility. Genpact’s WeMentor and Standard Chartered’s Women in Leadership programs

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by George J. Pantos

WHEELING IN HEALTH CARE SAVINGS

Technology enabled The SCOOTER Store to reduce benefits costs, improve its health plan performance and give employees ownership in their own health.

In 2009, The SCOOTER Store management was facing increasingly high costs for its employees' health coverage. If left unabated, these expenses could have forced the firm to cut its operations costs, such as scaling back on new hires or reducing wages and compensation.

The SCOOTER Store, a supplier of power mobility devices, including wheelchairs, scooters and ramps, has some 2,800 employees and serves more than 550,000 customers in 48 states.

"Our claims were skyrocketing like everyone else's, and we just decided we've had the wrong approach," said Deanna Scott, vice president of human resources and corporate operations at The SCOOTER Store. So, in September 2009, the company decided to tackle its high health care costs in a new way.

Leveraging Technology to Lower Costs

The SCOOTER Store needed a way to bring disparate health care information together into usable dashboards. Scott hired WellNet Healthcare Group, a national health care management company, to implement health care performance management (HPM) technology. The goal was to manage and lower health care costs by analyzing employee medical claims data and identifying workers who are at a high risk of developing costly medical conditions. Armed with this information, the organization's leaders would be better able to develop campaigns that encourage members to improve their health and help the company reduce costs.

The organization used the HPM software to consolidate its insurance management in a single system. Instead of having a separate vendor for each component of a health plan such as medical and prescription data or member management and clinical services, HPM puts control of coverage in one location.

The data collected then serves as the basis for a performance management system with preventative health care measures — such as wellness programs, opportunities for workers to take advantage of health coaching from registered nurses, outreach campaigns to improve employee adherence to prescription drug regimens or to encourage use of low-cost generic alternatives — targeted to specific workforce health risks.

Before implementing the technology, The SCOOTER Store's main way of cutting costs was regularly shopping for an insurance plan from various third-party vendors — essentially comparing different options to find the lowest price for the greatest value.

According to Scott, while this generated some modest improvements, the company never got to the root of the problem, which is having employees realize they need to take ownership of their own health.

'Live, Work, Be Well'

To address that concern, management at The SCOOTER Store combined HPM with action-oriented workflows, predictive analytics, simulations and a variety of member engagement campaigns. With support from the CEO and other executives, The SCOOTER Store's branded wellness program, "Live, Work, Be Well," encourages improvement of both physical and fiscal health.

Using anonymous prescription and medical claims data to identify employees who were at a high, medium or low risk of developing catastrophic health conditions, in 2009 the company determined its high-risk employees — 2.6 percent of the participating population — would cost the company $4.6 million in health expenses during the next two years. The 606 medium-risk employees — making up 18 percent of the member population — would cost $3.8 million in undetected claims costs during the next two years.

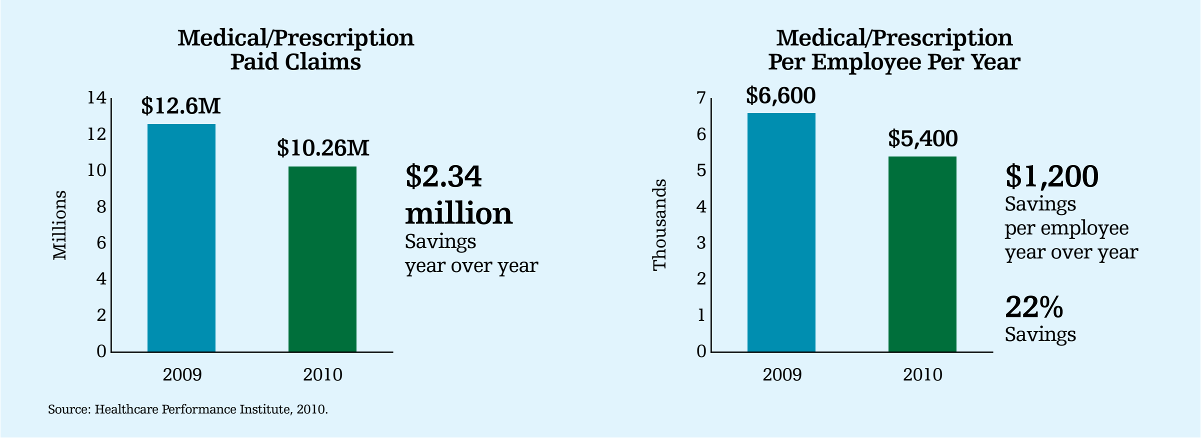
The company now offers health screenings and a free, on-site gym. "We needed to focus on illness prevention, as opposed to just paying for what's already happened," Scott said.

Senior management was able to see the value of this initiative through cost savings and demonstrated concern for employees.

"If we prevent one or two events, that's more than going to pay for this program," Scott said. "It's all about continuous process improvement. We reviewed the data of the outreaches and the successful conclusions of the activities — of course redacted because we don't [want to] know who the individuals are — it works very well."

The SCOOTER Store also contracted with Health by Design, an on-site health care company, to operate a full-time clinic at its headquarters, where employees can be seen with no office visit charge or co-payment. The clinic has saved personnel hours and cut down on travel time for medical visits, while maximizing worker profitability.

Figure 1: The SCOOTER Store savings following HPM implementation



Source: Healthcare Performance Institute, 2010.

"Forty to 50 percent of employees live here in New Braunfels," Scott said. "But the rest live elsewhere — San Antonio or Austin. So, if they're going to go to their primary-care physician, it's going to be a good two to two and a half hours for them to leave work."

Health Watch Benefits

Savings for The SCOOTER Store have been visible. In 2004, its total health care costs were 129 percent of expected claims. In 2010, actual costs were nearly 10 percent below expected claims.

About half of the employees participate in the HPM program. Health care costs have dropped from $6,600 per employee in 2009 to $5,400 in 2010 — an 18 percent reduction. So far, the $1,200 savings per employee has generated a total savings of $2.3 million. The per employee cost is 50 percent lower than the national employer average of $10,700 for health insurance (Figure 1). Overall, the company has seen a 10 to 1 return on its original technology investment.

Scott said if she could do it again she would have started using the technology sooner and done a better job of marketing it to employees.

"We were a little fearful of employees reacting from a big brother standpoint — 'You're invading my life. You're going to know everything about my medical condition, and that's way too personal,'" she said. "I think it would have been accepted better by our employees if they had known a little more about it. We needed to communicate more often and in different ways and do a better job of promoting it at health fairs and things like that, which we're now doing."

During the economic downturn, most businesses have embraced technology to streamline virtually every part of their operations. Those same firms often pay little attention to benefits programs. If health care expenditures grow too fast, they can impact the level of benefits employees receive, forcing workers to contribute more or switch to a different provider. These types of strategies yield only marginal savings.

Courtesy of The SCOOTER Store.

SCOOTER Store employees stand outside the company's headquarters in New Braunfels, Texas.

Managers would be taken to task if they treated their sales or supply-chain operations so cavalierly. Health benefits are an ever-greater share of company expenses, and this level of inattention is no longer an option. TM

George J. Pantos is executive director of the Healthcare Performance Management Institute. He can be reached at editor@talentmgt.com.

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strengthen the pipeline of high-potential women through specific career development action plans. "It made me understand what is needed to reach a senior management position," said one Standard Chartered program participant.

Employers should note, however, that in traditional Chinese companies, training is seen not as a perk but as a message that "you're a bad worker and we want to fix you." One way to entice Chinese women into a training forum is to bring them together as a group. That will provide an environment of safety where they can share their personal challenges apart from male colleagues.

The payoff will be apparent. Ambitious Chinese women are astonishingly loyal to employers who respond to their needs. Despite a recent Booz & Co. study, "The Next Management Crisis in China: Developing and Retaining Highly Skilled Young Managers," conducted in 2008, asserting that securing and retaining top talent is a "major, persistent problem," CWLP survey respondents display significant levels of commitment: 88 percent of Chinese women consider themselves very loyal to their employers and 76 percent are willing to "go the extra mile."

As China's educated women catch up to and, in some cases, exceed their male counterparts in academic credentials, they bring a rich diversity of opinion and a keen sense of the consumer marketplace to their employers. That marketplace is increasingly dominated by women. Female earnings in emerging markets are growing twice as fast as male earnings, and women now control two-thirds of all consumer spending. When translating product development and marketing strategy into emerging markets, the mandate to "think global and act local" in pragmatic terms means "hire more women."

Women are also key to connect with the mother lode of growth: the small-to-medium business market. "The SMB market in emerging markets is the market," said one senior manager with a global technology firm. "We're servicing small entrepreneurial companies, and 33 percent of them in Asia are owned by women. If we want to sell into that market, we've got to understand who those women are and how they reflect on the marketplace."

Recruiting and hiring talented women isn't enough. Organizations have to establish the practices and processes to enable highly qualified and ambitious women to flourish and contribute as fully as their male peers. Forward-thinking companies that learn to tap into the vast potential of female talent in China will gain a lasting competitive advantage and ensure continued growth, now and in the future. TM

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have them leave and then replace them. Say you left. Instead of replacing you, we would hire someone who's qualified to take your job through a thorough skills identification. Then we'd find a candidate for the role. There's more of a sense of, "OK, I got rewarded for building that expertise, and I'm moving up in the organization." It's less expensive than hiring your replacement, who we would have to pay market rate, plus a signing bonus and who knows what else. There's also a productivity curve of someone new joining at that level. Instead we're promoting someone who's getting a large increase, but it's still not nearly at market level because they're a level below. There's a built-in competitiveness to that model, which proves itself again and again.

We've analyzed our attrition. We've looked at the [tendency] to leave based on characteristics of people who have left. We can actually predict groups who are likely to leave and put together retention programs. That has had a bottom line impact. The cost of attrition is high; we know exactly how much it is for different job families and countries. But it's not just the cost of hiring and productivity loss, it's also the difference in pay if you have to pay premium to hire someone from the outside. That way we can justify the proactive retention efforts, the development and any other investments we need to make to retain that person.

TM: How do you integrate different talent practices and make them work together?

GHERSON: By having a solutions mindset. We don't think about practices in silos. As a leadership team, we focus our teams on what we're trying to solve. No tool, no process, no practice is in isolation. You can't let it be that way or you'll get out of touch and bureaucratic. It's important to think, "What's the business problem we're trying to solve," and "let's bring all of our tools and games to the problem."

TM: What's next for IBM in terms of talent management?

GHERSON: I'm working to make sure we have really good solutions to the talent gaps that we anticipate, achieving our 2015 roadmap and reallocating our resources and capabilities to make sure we close those talent gaps. We have a lot of legacy, tools and programs, and we're not so great about removing the old ones when we put new ones in, so I'm in a spring cleaning mode of creating a blueprint for our assessments and really simplifying the managers' experience so they can get assessments of employees done in a way that creates value for them. TM

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Waiting for the Facts to Change

In early 2009 I was talking with a lawyer named Tom about the bankruptcy of the 360-attorney law firm where he had been vice chairman. It was a 120-year-old firm that specialized in a narrow segment of securities law that had vanished overnight with the previous year's financial meltdown.

As one of the firm's leaders, Tom was besieged by his now-jobless attorneys for advice on what to do. Few if any of them had ever experienced such a setback, and they were more than a little lost.

I was eager to know what advice Tom shared with them, but instead he told me a story about his first year in law school.

"A big part of our training as lawyers," Tom said, "was to interpret a pattern of facts so that we could advise a client. Our teacher would give us a hypothetical set of facts and then go around the classroom asking, 'What would you do?' Every student would respond with a course of action.

"The answers weren't always correct or even reasonably intelligent. Sometimes they were desperate. But the students always came up with some rationale, some idea to act on. At no point in these classroom exercises did any of my classmates say, 'I'm going to wait until the situation changes.'

"And yet," Tom continued, "that's what a lot of my highly educated attorneys — and, I suspect, millions of other people facing similar setbacks — are doing. They're looking around and telling themselves, 'I'll be OK when the economy improves.'"

"In other words," I said, "They're doing the opposite of what they were trained to do in law school."

"That's right," Tom said. "They're waiting for the facts to change back to something they can understand, something more palatable. They're refusing to accept that the situation has already changed dramatically — and it's unlikely that things will go back to the way they were. It's just not the way history works. They're denying the evidence right in front of them."

[Waiting for discomfiting facts to change is akin to wishful thinking.]

"So, what did you say to the young attorneys?" I asked.

"I gave them a verbal cold shower. I said, 'The firm we worked at is not coming back. It got buried by a rotten economy, but it's not magically resurrecting when the economy revives. Something else might take its place, but neither you nor I can say what that is.

You can't sit around waiting for the situation to change. You have to come up with a course of action, just like we all did in law school. Find another area of the law. Hang up your own shingle. Transfer your legal skills to another business. But don't wait for a new career to come to you.'"

Waiting for the facts to change instead of dealing with them as they are is a common response to a setback.

It's the response of the owner of a dying business who refuses to cut costs or lay off workers during a continued downturn because a turnaround is just around the corner.

It's the response of a shopkeeper in a decaying part of town who sticks to his product line and way of doing business even as customers disappear, revenue shrinks and neighboring stores shut down. The area will come back, he thinks; it can't simply vanish.

When people wait for discomfiting facts to change into something more to their liking, they're engaging in wishful thinking.

It's the opposite of overcommitting because it leads to underacting — or undercommitting and not acting at all. Instead of doing something, you're frozen in place.

In a world that's constantly rushing forward, this is akin to moving backward. That's a mojo killer; that spirit that begins inside and radiates outside cannot survive the impact of that kind of benign delusion.

When the facts are not to your liking, ask, "What path would I take if I knew the situation would not get better?" Then get ready to do that. If the world changes in your favor, you haven't lost anything. If the facts do not change, you are more ready to face the new world.

About the Author

Marshall Goldsmith is the author or co-editor of 31 books, including MOJO. *He can be reached at editor@talentmgt.com.*

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