

# The Democracy of Talent Management

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Making the wrong decision about employee layoffs can put a company at a serious competitive disadvantage, especially when the economy starts to rebound.

In addition to making sure top performers and high potentials aren't lost during workforce reduction efforts, organizations also need to be mindful of the employees who remain behind by ensuring they continue to be motivated, valued and appropriately recognized for their accomplishments. Employees that remain following restructuring efforts will determine the organization's future success.

Deciding what's right for the business is hard because many managers don't have access to the data they need to make informed decisions. That's because in many organizations the process of talent management rests with HR, rather than being a democratized enterprise process in which everyone participates. Managers and employees may be contributing performance and development information, but that information often is contributed annually and stored in HR silos, not integrated into the business' operating culture.

To cultivate a workforce of high performers, talent managers need to transform the performance-review process from an annual event that rates performance for the purpose of compensation adjustments to an ongoing management and improvement process that delivers vital information about performance and potential to the business. With access to better information, companies then have the ability to accurately identify top performers and create the right incentive mechanisms to nurture and retain them.

There are two critical steps to successfully identifying and rewarding high performers while maintaining morale and drive within an organization. First, make performance measurement part of the regular daily tasks of every employee. Everyone from HR to line managers to employees needs to be committed to the process. Regularly communicate and clearly define goals to help employees understand business priorities and what they need to achieve.

When performance measurement is ongoing, managers can gain increased visibility into the day-to-day activities of the employee population to find the top performers. Keep in mind the top performers in tough times might not be the same as the top performers when business is booming. Having this insight helps organizations recognize potential, as well as performance.

Second, set goals and reward top performers to keep them within the organization. These are not easily accomplished and are even harder if these processes are not backed up by some form of automation.

With the right tools, performance management can be transformed into democratic process that delivers vital business intelligence and keeps the workforce motivated to succeed. Organizations that automate the process make it easier for managers and employees to communicate performance and ensure business priorities are appropriately identified and assessed regularly.

In addition to meaningful feedback, having a system in place also enables organizations to make performance-based compensation decisions. When employees understand what is expected of them, and the incentives for achieving goals, organizations create a more motivated, performance-based culture. This open feedback loop encompasses both communication and development plans, which keep employees focused while laying out a career path for them. Not only should the company have a plan for them, it should enable self-participation in succession plans by allowing employees to identify areas of interest and personal goals they'd like to achieve.

Performance management, compensation planning and succession planning need to be integrated processes that work together seamlessly to establish the link between HR processes and business results. By improving the talent management process and ensuring decisions are backed with data, organizations can address the challenges of managing their workforces both during and following the recession.

## Democratizing Processes

Having an automated process offers an entire organization the agility to participate in and benefit from talent management initiatives in a way they cannot when these programs are administered through manual processes.

For talent managers, the key benefit is time. They can't deliver the strategic-level value business leaders want and expect if their key function is circulating manila envelopes with annual performance reviews and spreadsheets with next year's budget numbers.

Getting managers and employees to willingly drive an organization's talent management processes is the best way to operate. However, though most would agree decisions about performance, compensation and succession should be in the hands of the managers and employees who understand these issues best, the natural inclination is to resist adding another task to an already full workday.

But if automation can replace manual tasks such as writing a status document, changing the status of online goals in a few seconds, naysayers will recognize the efficiency and eventually realize and appreciate the flexibility and control these processes offer.

Make the performance management process easy for everybody to participate. Performance data can reveal not just an employee's past performance, but his or her potential to deliver on future goals. Having performance data can ensure talent managers avoid eliminating an employee based on job role or function. Employees should be able to easily and regularly update their status to help managers ensure goals are met and development plans are in place so they add value over time.

In organizations in which compensation is a focal, once-a-year process, what happens when the need arises for a discretionary event such as a spot bonus, a stock allotment or a market adjustment outside the focal period? In a paper-based process, waiting for forms to wind through layers of approvals can take weeks that can mean the difference between keeping or losing an employee.

For instance, if an IT manager realizes one of his most productive Java developers is paid well below the market rate and could be a flight risk, an automated compensation tool can help the manager to request the adjustment and get it approved within days.

Even in a struggling economy, compensation is an important tool to attract, motivate and retain talent. High performers are always in demand. Budget for spot awards and "bravos" to build morale and recognize employees for their contributions to organizational success.

Ideally, managers have a succession plan for the key people in their purview, complete with employee profiles that allow them to see career paths from a manager's point of view. An automated succession planning tool makes it easy to update these profiles continually as employees express interest in a position or demonstrate the ability to take on new tasks. Then, if a key player leaves, the manager has a stable of candidates ready to evaluate.

However, even if the manager doesn't have a succession plan in place, the succession tool provides the flexibility to quickly respond to a new vacancy. If a top performer gives two weeks' notice, the manager can take a week to identify three potential successors and a week to make a decision and have a replacement ready to work.

Future leadership development is a key to long-term organizational success. Let managers and employees know there is a career plan for them. This way motivated employees will remain committed when the economy rebounds.

Automating talent management so it easily becomes part of the day-to-day life of an organization can be the hook that helps mitigate reluctance from managers and employees. However, what will secure their long-term acceptance is the control they have over processes that were slow, unwieldy and out of their hands. Democratizing processes allows managers and employees to have the freedom, flexibility and tools to make informed decisions within a structure that assures decisions are aligned with the business' strategy and culture.

Despite the current economic climate, people will remain the key competitive differentiator that determines long-term success, and the quest for attracting and retaining talent will continue. An integrated talent management suite is critical in linking HR processes with the success of the organization. While businesses will still find it challenging to build and maintain high-performance workforces, those that take a democratic approach to talent management will reap the rewards of a standardized process that supports business objectives.

When the economy begins to rebound, organizations that have taken a best-practice approach to talent management will have a significant competitive advantage. An automated talent management solution helps managers make smarter, more democratic compensation and performance decisions, and ensures the organization has the bench strength needed to build a high-performance workforce.

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