

## Achieving Integrated Talent Management: Slicing Through the Silos with Software

By Kevin Oakes

*The new business book *The Executive Guide to Integrated Talent Management* debuted this year at the 2011 ASTD International Conference & Expo and was an instant sell-out upon its release. Written by leading thought leaders such as Peter Cappelli, Dave Ulrich, Marshall Goldsmith and executives at organizations including General Mills, 3M, Cisco and GE, the book seeks to explain the importance of breaking down traditional HR silos to achieve greater organizational performance. The following is an excerpt from one chapter, written by Kevin Oakes, co-editor of the book and CEO of the Institute for Corporate Productivity (i4cp).*

Almost a decade ago, the overly anxious CEO of an HR technology company began pitching to me the idea of merging his company with my company to form the ultimate entity: a complete talent management suite. At the time, I was CEO and chairman of Click2learn, a leading learning management company (I would later merge Click2learn with Docent to create SumTotal Systems). The landscape of human capital technological solutions was still very nascent, but the idea of a suite of applications that would address all aspects of HR had, for a few years, already been envisioned by many in the learning and development industry.

This particular CEO was not the first to approach me with the idea of joining forces, but he was easily the most aggressive. His pitch: “Together, we can be the only provider to offer end-to-end HR and learning products and services in the attain–train–retain continuum. let’s seize this opportunity now, and drive the market!!!” is the way he ended one memorable email.

The problem, as I unconvincingly kept describing to him, was that the potential buyers in corporations are in silos. Very few—if any—companies at the time were positioned organizationally to take advantage of such a holistic solution. Almost all firms ran their HR groups separately. Their recruiting people couldn’t have cared less about their performance management people—who often fought for budget with their learning and development people—who were typically not even in the same building as the compensation and benefits group. In short, we could preach all we wanted, but there was no one congregation ready to hear our message.

Today, the landscape has changed. Though the preaching has only increased in volume over the years, companies now are much more prepared to take advantage of the fully integrated talent management technology suite. And technology providers finally are ready to deliver, primarily because of what that aggressive CEO wanted in the first place: the merging of complementary companies. You probably remember some of the names: DigitalThink, ThinQ, Pathlore, GeoLearning, Learn.com, Centra, Interwise, Softscape, RecruitForce, Resumix, Hire.com, BrassRing, Vurv, Salary.com. You and I could list

hundreds more. The obvious commonality among these companies, of course, is that they all were purchased. But their maybe-not-so-obvious similarity is that they all, arguably, were considered “point solutions,” addressing and excelling at only a small portion of the talent management life cycle. Today’s mergers-and acquisitions activity is all about seeking the holy grail of the fully integrated talent management suite, a quest that no vendor—despite the propaganda—has yet to fully achieve. But that’s quickly changing.

The talent management field is maturing both technically and in helping corporations realize how to use integrated talent management for their strategic benefit. However, the term “talent management” is still thrown around too loosely by suppliers. It’s no wonder that buyers get confused. As this book goes to print, I’ve just returned from an investor conference featuring several human capital vendors. Almost every single CEO and chief financial officer talked about their firm’s strength in “talent management.” I witnessed the CEOs of two staffing companies say they were “leaders in talent management.” Their definition obviously differs from ours in this book.

Although mergers in general help achieve the technical functionality needed, the benefits of a merger often take much longer to take effect than projections claim. The truth is that most firms tend to be strongest at their roots. Thus, not only are vendors more technically capable with their original products, but it’s also how they think. If you are a hammer, everything looks like a nail, so most firms continue to approach the market from the mindset that helped them succeed in the first place.

Although this situation is an understandable and natural fact of this talent evolution, buyers need to be prepared for it as they begin to adopt the integrated talent management suite. There will be strengths, and there will be weaknesses, and many will be based on the heritage of the vendor. The “complete suite” is unlikely to be truly complete for some time, and as a result, many companies will continue to integrate multiple vendors’ products to achieve the functionality they need.

This evolving integration, whether between vendors or within one vendor’s complementary applications, typically centers on mapping data between human capital functions. And the data most in demand are the skills and competencies of the workforce.

A common refrain from corporate practitioners is, why can’t I centrally store the skills of job applicants when they are hired, and pass those to the performance function along with the skills deficits that we identified, and they in turn pass data on to the learning function, which ties into the compensation function? Up until recently, the answer was lack of data integration—both among the technology platforms and modules currently on the market and among the HR functions.

Integration continues to be the primary challenge in the learning and development industry, according to a study conducted by ASTD in cooperation with i4cp. Only 19

percent of the respondents said that their companies integrated talent management components to a high or very high extent, and only one in five said their firm has the technological capability to do so. Though capabilities keep getting added, the easiest prediction to make is that integration will continue to be an issue for years to come.

However, when it comes to integration, the same study found that the two components integrated the most in successful implementations were the learning and development function and performance management. This is the easiest place to begin in many companies, because these functions naturally go hand in hand, and several providers of technological solutions focused on this link early in the development of their integrated suites. Identifying performance issues, and recommending learning and development opportunities that address those issues, is a hallmark of good performance management, but it's amazing how many companies don't do this today. In the future, it's easy to envision these two functions never being separated, but today it's still rare to see them completely integrated. Other core elements that are germane to top integrated talent management programs include leadership and high potential development, retention, and engagement.

Although the integration of talent management poses many challenges, it's important to point out the core strategies that organizations can follow to improve their chances of success in integrating:

- Make the whole executive team, rather than just a single HR leader, responsible for talent management, and ensure that leaders see talent management as a vital element of the organizational culture. This is easier said than done, of course, but companies that are successful at talent management typically have their most senior team not only involved but also held accountable.
- Ensure that your organization's talent management processes are coordinated before implementing technological solutions. If your organizational design is poor, if there is little synergy and sharing among groups, and if there is no flow of information in the employee life cycle, automating these processes will only compound the chaos.
- When selecting technological solutions, proceed with intelligent skepticism. It's a given that all features of a solutions suite will rarely work exactly as advertised, but small issues are often fixable—it's sharing data across all functions that is most worrisome. As a result, many buyers start with one or two components instead of the entire suite. When selecting components, think down the road and pick a vendor that you expect will be able to support you with additional core components in the future. And even though you may not use everything from the start, make sure you do a thorough test drive of all integrated components and talk with as many other earlier buyers as you can to gain an understanding of possible pitfalls.
- Finally, measure talent management, and make sure that these measurements are aligned with your business goals. The field of talent management metrics and analytics is growing, and it's clear that the best companies not only measure

relentlessly but also focus primarily on quality and effectiveness metrics instead of efficiency.

Advances in software as a service, cloud computing, and an increased understanding of data mapping are helping to make the integration of talent management easier and are allowing companies to see the light at the end of the tunnel when they will be able to take full advantage of the integrated talent management suite. This, according to our research, will benefit the bottom line of corporations by leveraging internal talent more strategically. Although the learning and development industry will never be at a loss for preachers willing to deliver this particular sermon, there's obviously still much missionary work left to do.

*Kevin is the CEO and founder of the Institute for Corporate Productivity (i4cp). Kevin has been a leader in the human capital field for the last two decades, and was previously the founder and president of SumTotal Systems. Kevin is currently on the board of directors for KnowledgeAdvisors, a human capital analytics firm, and serves on the advisory board for Intrepid, a Seattle-based provider of outsourced workplace productivity solutions, and Longworth Ventures, a Boston-area venture capital firm. Kevin is a frequent author and international keynote speaker on talent management and using human capital strategically in organizations and recently released a new book, titled *The Executive Guide to Integrated Talent Management*, published by ASTD Press.*