



An Innovative Approach to Strategic Talent Management in the Cloud

Finding and Retaining the Best People



ManpowerGroup's ninth annual Talent Shortage Survey found that 54 percent of employers reporting a talent shortage say it is having a significant impact on their ability to meet client needs. The most common impact companies reported is a reduced ability to serve clients, closely followed by reduced competitiveness and productivity. More than a quarter say that increased staff turnover is a consequence of talent shortages, with 24 percent citing a negative impact on employee engagement, innovation, and creativity.

ManpowerGroup, "The Talent Shortage Continues," 2014

As the world emerges from global recession, it's clear that today's talent management challenges are dramatically different from the ones businesses faced even a few years ago. PwC's annual global survey of CEOs found that a full 63 percent of those surveyed are concerned about the future availability of key skills.¹

It's no wonder that today's high-performing businesses are refocusing on talent management.

Constraints on talent undoubtedly hurt enterprise growth and profitability. If organizations can't hire the right people, they can't move the business forward. More than ever before, HR must be closely aligned with the goals of the business and attract, develop, and retain employees who can help achieve those goals. But how can HR tackle the problem and successfully provide talent solutions for the business?

A CHANGING MARKET

Employers today face a different labor market than in the past, and they are finding it difficult to get and keep high-potential employees and top performers.

- » Globally, nearly half of the employers surveyed (48 percent) indicate that hiring activity has increased compared to the previous year.
- » For 15 percent, hiring has jumped significantly and more than one-third (35 percent) report that turnover is rising.
- » Nearly two in three respondents are experiencing problems attracting top performers (65 percent) and high-potential employees (64 percent)—an increase from two years ago.
- » More than half report difficulty retaining high-potential employees (56 percent) and top performers (54 percent).

Towers Watson, "2014 Global Talent Management and Rewards Study"



¹ In its annual global CEO survey for 2014, PwC recently found that 63 percent of CEOs are concerned about the availability of key skills. PwC, "17th Annual Global CEO Survey," 2014.



FACT: Global employers are reporting the biggest talent shortages in the skilled trades category. Engineers are second on the list for the third year in a row. Moving up to third are technicians in production, operations, maintenance, and other roles. Sales representatives slipped one place to fourth.

ManpowerGroup, "The Talent Shortage Continues," 2014

TALENT MANAGEMENT BEST PRACTICES

Best practices for talent management in today's rapidly changing workplace support a larger, more strategic role for HR.

- » **Start with the business strategy.** Align your HR goals and strategy with the overall business strategy.
- » **Get the big picture.** Find a comprehensive, integrated technology solution that addresses all aspects of talent management.
- » **Know where you are.** Assess your current situation to identify top contributors and leaders as well as knowledge gaps and skills your organization is missing.
- » **"Build" or "buy"?** Determine what talent you can grow in-house and what talent you need to acquire from outside the company.
- » **Close the gaps.** Implement your strategy to start filling in the gaps in your workforce and enabling the business strategy.

How can HR help the business find the talent they need to compete?

Businesses are facing unprecedented competitive pressures and struggling to keep up with a constantly evolving market. To succeed, they must address old challenges with innovation and initiate new ideas for getting ahead. Companies are responding by launching new initiatives such as acquiring other companies, launching new products, expanding into new markets, and opening new offices.

Can HR provide a strategic response to help meet business goals?

STEPPING UP

New initiatives to keep the business competitive put pressure on HR because these initiatives inevitably rely on top talent to get the job done. Traditionally, HR has been responsible for finding and onboarding talent. Today, however, the role of HR is expanding to strategic enterprise player as well as the driving force for finding and retaining key talent.

GOOD NEWS, BAD NEWS

The good news is that most executives acknowledge a problem with their current talent management systems. In survey after survey, business leaders consistently identify insufficient talent as a big, red flag in their organization and agree that programs need to be improved. For HR leaders, this is a perfect storm of opportunity to own the challenge and provide the solution.

The bad news is that workable talent management solutions have been slow to keep up with the evolving needs of the business. A comprehensive system that does what HR, line managers, and employees really need it to do can be costly, expensive to maintain, and take forever to implement.

Good news again. Things are changing.

FACT: According to a survey by Harvard Business Review Analytic Services, the top-five most important goals for talent management in 2014 are talent acquisition (64 percent), employee engagement (59 percent), talent retention (58 percent), goal alignment (55 percent), and training (53 percent).

Harvard Business Review Analytic Services, "The Age of Modern HR," June 2014



Start with the larger business strategy and figure out what talent is needed to achieve those goals.

The approach that successful companies are taking starts with aligning their talent management solutions with critical business goals. They can then implement the technology that helps them achieve those goals.

REFLECTING THE GOALS OF THE BUSINESS

Instead of starting with HR goals, start by aligning HR goals with your business strategies.

Businesses win when employees are in sync with companywide goals. HR can help by making sure that individual and team goals align with the overall business strategy and that employees can easily collaborate and work together. True alignment of talent is a key to being competitive.

WHAT WILL HR DO?

HR's goals should be a reflection of the overall goals for the business with the primary question being, "What can HR contribute to the business strategy?"

In this new role, HR spearheads the talent management effort: helping line managers staff new initiatives, assessing current talent, and reviewing talent processes to see what works—and what doesn't.

For help in this new role, HR organizations are turning to technology to provide a talent management system that provides world-class recruiting strategies and can effectively cover all the stages of the employee lifecycle.

START WITH THE BUSINESS STRATEGY

Too often HR finds itself starting with its own goals and objectives for a "bottom-up" approach.

Starting with the goals of the business and a "top-down" approach lets HR ensure that their goals (and the goals for the talent management solutions they seek) are in alignment with the goals of the business.

Ask these questions to better align your HR strategy with the business strategy.

- » What is the business committed to delivering?
- » How can people help deliver on that commitment?
- » How many people do you need to deliver on that commitment?
- » What kind of people do you need?
- » Which roles are the most critical to fill?



FACT: 70 percent of job seekers use mobile devices when searching for positions; mobile-friendly job applications are the future of the recruitment process.

Meghan M. Biro, "5 Ways to Use Mobile to Recruit Top Talent," *Forbes.com* (blog), Oct. 27, 2013, forbes.com/sites/meghanbiro/2013/10/27/5-ways-to-use-mobile-to-recruit-top-talent/?ss=talent-strategies

BUILD YOUR OWN TALENT POOL

Reduce your dependence on third-party recruiters and external resume databases by creating an internal database of quality candidates. You need to manage and maintain it, but significant results include lower sourcing costs and a database of pre-sourced, qualified candidates with whom you already have a relationship. The next time a job opens up, this tailored-by-you talent pool is your first stop.

But where do you find these quality candidates?

- » **Social networking and social media.** Facebook, LinkedIn, and Twitter are good places to start, but don't stop there.² Investigate special interest social media being marketed to specific audiences.
- » **Job boards.** Find the ones with the highest likelihood of attracting qualified talent. Post to them automatically.
- » **Employee referrals.** Pure gold.
- » **Career Opportunities section on your website.** Don't forget.

The addition of social media to the mix of talent management challenges requires a comprehensive, integrated solution that simplifies—not complicates.

Strategic talent management requires looking at the big picture—not just isolated pieces. Everything is connected, making every aspect of talent management exponentially more critical and more complex.

A HOLISTIC APPROACH TO TALENT MANAGEMENT

When functional HR silos are brought together and companies can look at talent management issues from an integrated perspective, then executives and managers can be more efficient in their responses. For example, they can more easily identify leaders for key projects and act quickly to lower the risk of losing top performers.

And because the challenges have been integrated, so are your responses. For example, it doesn't make sense to have a great recruitment strategy just to lose your top recruits because you have no employee development programs. You might have great leaders today, but if they leave at a crucial time with no contingency in place, it could jeopardize the entire project. Effective talent management strategies cover the entire employee lifecycle, including

- Sourcing, recruiting, and onboarding
- Performance and goal management
- Talent review and career and succession management
- Learning and development

TURNING TO TECHNOLOGY

Technology—including social collaboration—has helped make talent management systems more efficient. A solution that's fully integrated with core HR processes changes the way HR approaches talent management. And improving the efficiency of individual talent processes and integrating them into a single platform (and a single dashboard) simplifies the job of HR.

An integrated talent management system can also provide insight for the rest of the business—all in alignment with business strategies. By integrating data and processes so that seemingly unrelated data points can be compared and analyzed, business leaders gain the insight to make more-informed decisions.

² According to a Jobvite survey, 83 percent of social job seekers use Facebook, 40 percent use Twitter, 37 percent use Google+, and 36 percent use LinkedIn; see "2014 Jobvite Job Seeker Nation Study," jobvite.com.

“Organizations are still missing the mark: Less than half (49 percent) of organizations report being effective at providing traditional career advancement opportunities to employees.”

Towers Watson, “2014 Global Talent Management and Rewards Study”

It’s critical to have a goal—but you also need to know how far you are from reaching it. Once you’ve aligned talent needs with the business strategy, you need to take stock of your current situation.

Consider this scenario: A company sees enormous growth potential in their product and services business. The HR team undertakes an evaluation of current talent and also looks at the retirement plans of the engineers, along with their tenure. They also review skill sets for the rest of the workforce. In other words, by reviewing their talent in an integrated way, they realize that there is an enormous gap: Not only does the current workforce lack all the right skills, but many of the skills the company does have are found in employees who will be retiring over the next 10 years.

The company realizes that it cannot currently execute on its business strategy because it doesn’t have the right talent.

THE TRUTH ABOUT TALENT REVIEWS

The talent review is one of the most strategic processes within an organization and provides some of the best information about the talent in your business. However, it is also one of the most dreaded processes—by managers and their teams alike.

Talent reviews are generally manual processes, and preparation is painstakingly labor-intensive. Action items from the review are often not tracked, and—after the review process—there’s little or no follow-up and accountability.

EASIER EVALUATIONS, BETTER INSIGHT

Technology can make talent reviews easier and more useful. It can help ensure that the best talent is recognized, that all talent is fairly assessed, and that the right talent is developed for the right jobs. Comprehensive talent management solutions that cut down on manual processes and make decisions actionable are now available with

- Interactive dashboards that let HR rank talent based on potential and performance and incorporate both formal data (such as performance reviews) and informal data (such as peer kudos)
- Visual, interactive reviews that help managers identify top performers and potential leaders
- Embedded and predictive analytics to identify at-risk top performers so that managers can intervene before valuable talent is lost

KNOW WHERE YOU ARE

Ask these questions to determine where you are in your strategic talent management planning.

- » What’s your current talent landscape? (Look at the depth and strength of your bench for key jobs. Examine skill gaps, performance gaps, and leadership capabilities.)
- » Have you identified employees for your succession pool (those who will be ready for promotion in one to three years)?
- » Have you identified employees for your development pool (those who will be ready for promotion in three to five years)?
- » How prepared are these employees? (What skills do they need to fulfill future requirements? Identify the skills they have and the skills they need.)
- » What can HR do to help them prepare? (Can the needed skills be developed within the timeframe you have?)



"One of our goals at National Instruments is to create a great place to work for our employees. As an HR team, we want to be able to focus on developing our talent. Since we have talent located in approximately 50 countries, it is very important that our HR system is industry-standard and consistent across borders so that HR, managers, and employees can spend less time gathering data and more time using that data for effective decision-making."

Wendy Cottrell, Senior HRIS Manager, National Instruments

FACT: 23 percent of survey respondents with talent shortages are preparing to adopt alternative work models. One in 10 have increased their focus on their talent pipeline. Other employers are redesigning existing work procedures, offering flexible or virtual work arrangements or leveraging contingent workers.

ManpowerGroup, "The Talent Shortage Continues," 2014



How you fill the talent gaps in your organization depends on your business goals. A talent evaluation helps you identify gaps and decide whether you need to focus on a "build" or "buy" strategy.

Once you understand your talent baseline, you can start closing the gaps between where you are and where you need to be.

STRATEGIES TO CONSIDER AS YOU CLOSE TALENT GAPS

Consider the following as you develop your strategy for finding the right people to close the talent gaps in your organization.

- Build a strong talent pool for those situations where you need to buy the right talent. Employee referrals produce the best-qualified talent; social media and social networking should also be a part of your sourcing.
- Develop a strong onboarding program. Good onboarding programs have a lasting impact on retention.
- Focus on performance management. Performance processes that recognize the relative value of an employee's contribution drive talent retention.
- Offer innovative reward strategies. Organizations can capitalize on reward strategies that attract and engage top talent. Both traditional pay-for-performance programs and corporate business rewards are critical to the retention of top performers.
- Consider the trend toward the "democratization" of compensation. Employees can give rewards to each other and use social media connections to find the skills they need to get the job done.
- Align people to the business. Link employee and line manager behavior to results that matter—not just to the organization but to customers and business partners.

CHOOSE A "BUILD" OR "BUY" STRATEGY

The ideal strategy for HR depends on which skills and talent are most critical for executing the strategies that achieve the goals of the business. Based on your talent evaluations, you can decide whether you can groom and grow the skills the business needs from internal talent, or whether you need to buy an infusion of talent from outside the organization. The right answer might be a combination of both strategies, so you may want to assign priorities and timeframes to determine your initial focus.

CHOOSE BUILD...

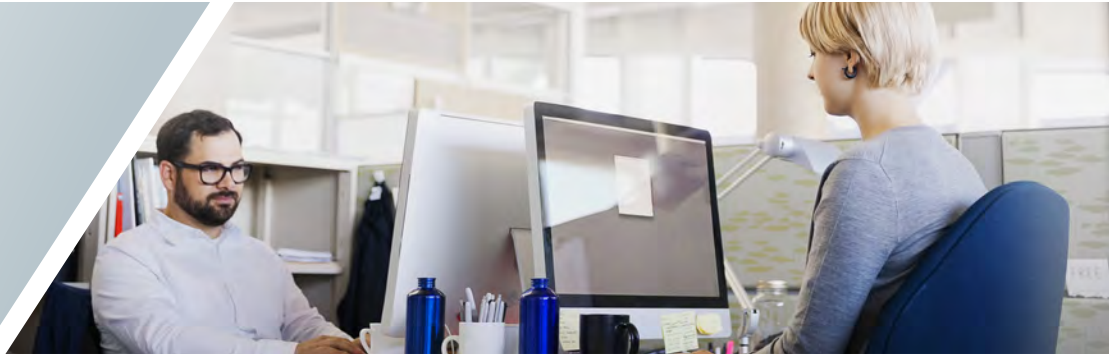
- » If your focus is on:
 - Stability through retention
 - Legacy knowledge
 - Capitalizing on a strong bench
 - Finding the right solution, no matter how long it takes
- » Overcome talent gaps with:
 - Development planning
 - Succession management
 - Roles designed to fit talent
 - Assessments with learning and development interventions
 - Coaching and mentoring
 - Performance management

CHOOSE BUY...

- » If your focus is on:
 - Speed
 - Unique skills or talents
 - Overcoming a weak bench
 - Seeking new perspectives
- » To overcome your talent gaps:
 - Identify the most-critical areas that need external talent
 - Onboard employees faster

IN BOTH CASES...

- » Develop strong onboarding programs for better retention.
- » Practice good performance management. Companies that regularly talk to employees about progress and outcomes outperform those that don't.



FACT: More than 1,700 Oracle Human Capital Management (Oracle HCM) applications customers have contributed to the development of Oracle Talent Management Cloud, participating in a variety of design, testing, and feedback sessions. This, combined with insight from our internal team of seasoned HR leaders, has allowed Oracle to deliver a talent management solution that addresses the challenges faced by today's HR organizations and supports HR's shift to a more strategic role.

FINDING AND RETAINING THE BEST POSSIBLE TALENT

Business executives are depending on HR to source, recruit, develop, and retain the best talent, and HR is finding solutions in Oracle Talent Management Cloud.

- » Social networking tools that increase employee information sharing and engagement
- » Flexible, holistic goal and performance management
- » Integrated and embedded analytics to support informed, data-driven decision-making
- » Comprehensive learning solutions that map to the needs of individual employees and organizational goals
- » Support for integrating with existing core HR systems including Oracle's PeopleSoft and Oracle E-Business Suite

CONTACT US

For more information on how to refocus your team on managing talent, call **+1.800.ORACLE1** to speak to an Oracle representative or visit **oracle.com/hcm**. Outside North America, visit oracle.com/corporate/contact/global.html to find the phone number for your local Oracle office.

Oracle Talent Management Cloud lets HR manage everything from recruiting to talent reviews and development—all in a single, cohesive software-as-a-service (SaaS) system.

WHAT'S DIFFERENT ABOUT ORACLE TALENT MANAGEMENT CLOUD?

Oracle has rethought the business of talent management and has designed a system to support HR's shift from administrative to strategic. Areas such as performance management have been redesigned away from the tracking of papers, forms, and ratings and moved toward strategic growth and development activity with kudos, feedback, and ongoing goals.

Oracle Talent Management Cloud provides end-to-end talent management in a single system so that HR can

- Find, grow, and develop key talent with modern talent management
- Align individual goals with corporate goals
- Drive a strategic, end-to-end talent management strategy with a single, integrated system for all talent-related activities
- Leverage social media and mobile technology to broaden recruiting reach, generate high-quality employee referrals, and increase employee engagement
- Analyze talent information to make better decisions

A COMPLETE, INTEGRATED SOLUTION—ONLY FROM ORACLE

Only Oracle HCM has the workforce insight for superior talent management, as well as the breadth and depth to provide the global HR foundation that companies need to support current business goals. Oracle's comprehensive, end-to-end system lets companies apply best practices to processes across the entire employee lifecycle rather than just to a single, isolated process.

Understanding and influencing talent is critical to the success of an organization. Reviewing talent, aligning individual goals to business strategies, rewarding top talent, and providing easy-to-use social tools are key steps. With Oracle Talent Management Cloud, HR leaders can provide the strategic insight and workforce planning to attract and retain the best talent and stay ahead of the competition.



"Thanks to Oracle Human Capital Management Cloud, we gained anytime, anywhere access to integrated employee data, enabling us to create more-effective performance management and identify top talent to support future growth. We have gained recruitment analytics, simplified performance management and talent review processes, and reduced IT costs."

Bavneesh Gulati, Senior Vice President, Human Resources, Kalpataru

Oracle Corporation

WORLDWIDE HEADQUARTERS

500 Oracle Parkway
Redwood Shores
CA 94065
USA

WORLDWIDE INQUIRIES

Phone: +1.650.506.7000
+1.800.ORACLE1

Fax: +1.650.506.7200

oracle.com

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