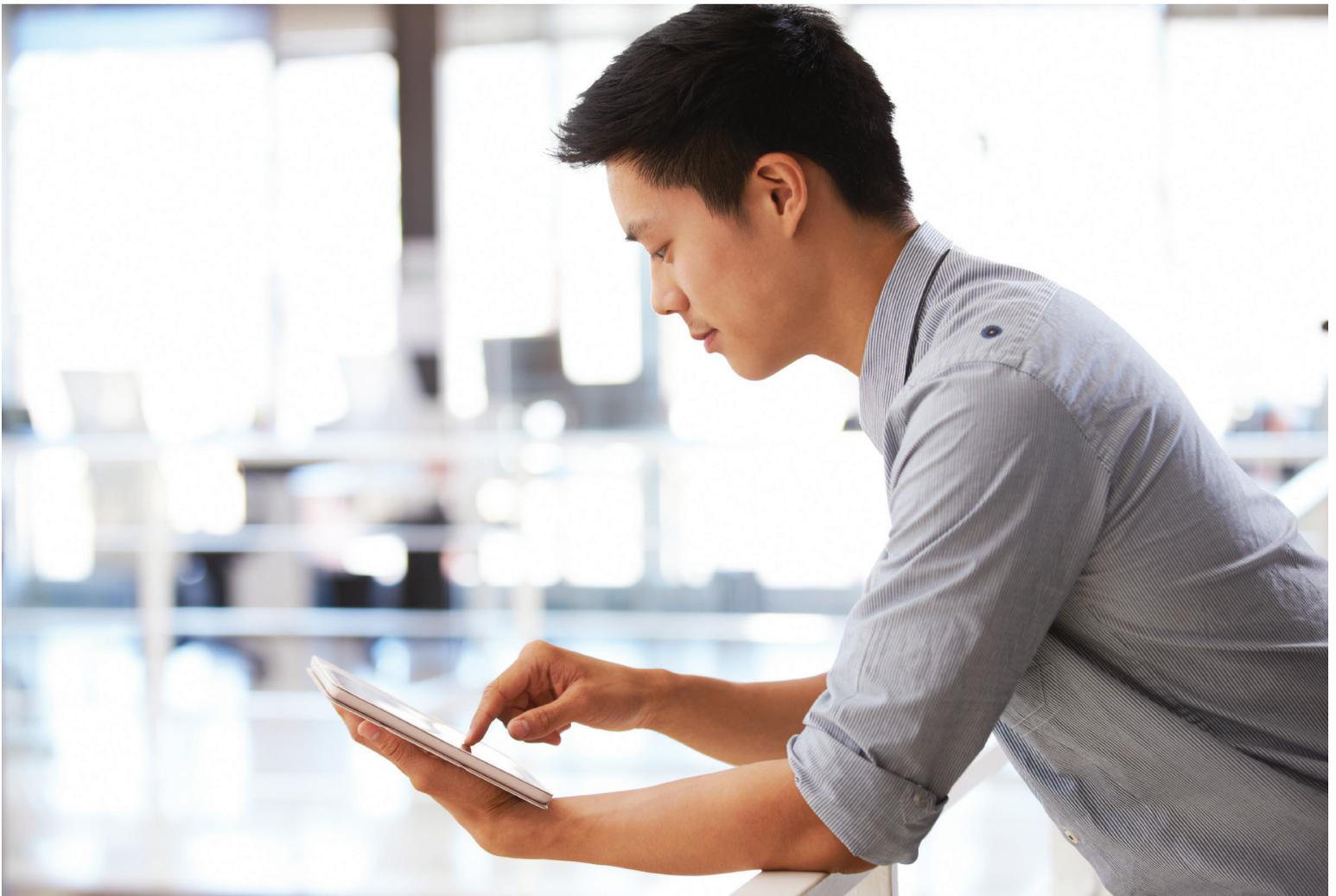


Moving to a People-Management Mind-set

BY TOM STARNER



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Moving to a People-Management Mind-set

For the past decade, businesses and HR leaders have been somewhat obsessed with the idea of talent management.

And why not? Originally conceived as a host of programs designed to help manage people from “pre-hire to retire,” talent-management strategies have spawned a \$10-plus-billion software industry. Along the way, that technology has helped refocus HR departments while simultaneously informing senior managers about the importance of talent.

Today, change is afoot, says Josh Bersin, principal at Bersin by Deloitte, part of Deloitte Consulting LLP. Bersin, who tracks the HR-technology industry, says that, if employers start to think of their employees as consumers (i.e., they can always go elsewhere), then all of a sudden “talent management” takes on a completely new meaning.

“It’s not just a way to integrate HR processes; it’s a series of strategies, programs, investments and promises that can make everyone’s life, work and career better for them—not just the company,” Bersin says. “This is where work is going—we now work in a world of independent free agents, each of [whom] is like a voluntary consumer who may choose to stay or leave.”

To Bersin, the talent management or integrated talent management that many HR leaders and the vendors who serve them have talked about for a decade is clearly becoming antiquated. This free agency is something more.

Employers today need to create a definable culture, driven from leadership; hire against that culture; empower people to deliver; and hold them accountable for results. And the “scaffolding” around this includes a great work environment, lots of development opportunities, great benefits and pay, and a culture of inclusion and coaching.

“I am not sure what to call the ‘next stage’ of talent management, but for want of a better phrase, I think [it] should be something simple like ‘people management,’” Bersin says. “It means building an organization that is designed for people – people as individuals, not just ‘talent.’ We should aim to build an organization that is forgiving, transparent, developmental and still holds people accountable. It’s not an ‘up or out’ culture, but rather one where everyone can succeed if they are all on the same page.”

Bersin cites a prime example he’s experienced of people management at work. A few months back,

he met with the chief executive officer of a large restaurant chain facing financial challenges. Business had not been going well.

The CEO told Bersin that he had several options, including redoing the menu, firing some chefs, redesigning the stores or pouring more money into marketing. He could choose any one of those strategies, or all of them.

Instead, he decided to try something a bit out of the box. He would focus on the employees; let them tell him what to do. The company launched a massive internal-communications campaign to do just that. The request for advice delivered some seriously good ideas. Within two years, the business had turned around.

“That is a people-management strategy,” Bersin says.

He notes that HR should start to think about employees as people. It may sound like a simple, even “so what,” concept. But more and more companies are starting to rename their HR organizations such things as “people operations” or “people management.”

“Sure, they still have to do HR administration-type tasks—but, ultimately, HR’s job is to make sure people are in the right jobs, engaged, trained, aligned and supported,” says Bersin. He adds that his firm’s latest research shows that the ability to attract talent (the right people, not just anyone) is now one of the biggest differentiating factors in business.

With so many changes and an accelerating need for new young leaders, in Bersin’s view, many strategies conceived in the last 10 years are rapidly becoming out of date. And that focus on “pre-hire to retire” is quickly becoming less relevant, stack ranking and performance management are being totally revamped, corporate training is undergoing a total transformation, and the concepts of staffing and assessment are being replaced by a focus on corporate culture, engagement, work environment and empowerment.

The original idea of integrated talent management is really no longer the problem, he says. “We have to accept that everything is related—and now, rather than think about ‘integration,’ we need to focus on how we ‘drive talent outcomes.’ There’s been a shift away from thinking about all the internal HR issues toward an outward focus on ‘addressing the talent problems in my company.’”

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As this transition is happening, an emerging generation of software–driven by industry leaders such as Workday–is starting to focus on the individual. Bersin says HR leaders should get comfortable with the concept of design thinking, which often means designing HR solutions focused on what employees do every day.

Workday understands these common issues and has designed a platform that has been “user-centric” from the start, with architecture that both allows much-desired integration and is also easy to use.

“It’s very clear to me we are going to have a situation whereby the companies outperforming their competitors will likely be focused on employees not as a means of production, but as the No. 1 resource they have,” Bersin says. “If you treat and manage people well, they tend to make better decisions in terms of customers [across the board].”

In fact, Bersin says, while integration is still a much-discussed topic in HR (particularly in technology) and most bigger companies are moving toward building more integrated HR-technology strategies, the market has shifted.

“Integration of the core HR processes, once considered the nirvana of talent management, is not generally the top-of-mind issue today,” he says.

Like it or not, everything in HR is connected today. Since those early days, we now have ubiquitous social networking, total connectivity

across all people and systems, and a porous talent system that leaks and collects data from the outside world like never before.

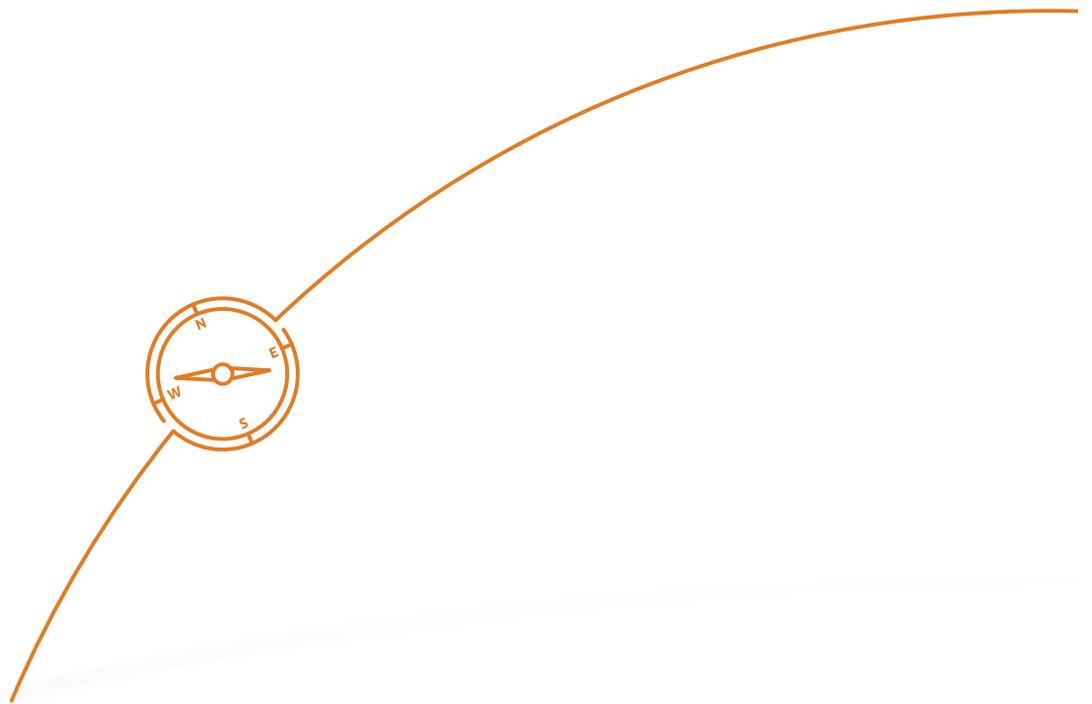
“Recruitment, employment brand and even employee engagement is extended into the public Internet, so internal systems and data no longer stand alone,” he says, adding that, while core talent programs should still work together, HR needs to consider the whole “ecosystem” of talent issues in its strategies, programs and systems.

Engagement Hits Rock Bottom

Companies not only face leadership and skills gaps, they face new challenges as well: Employee engagement is at an all-time low, retention scares everyone and employers are just now starting to grapple with the issue of what Bersin calls “the overwhelmed employee.”

For one, employers are struggling to figure out how to make work more balanced, given the fact that the barriers between work and life are all but gone.

Also, the topics of diversity and inclusion are becoming top-of-mind. Silicon Valley firms are starting to realize that their predominantly male, youth-dominated cultures often don’t reflect well on their employer brands–yet it can be very hard to change. Today, businesses need to focus on building a diverse, inclusive and humane work environment–topics never discussed 10 years ago.



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Finally, performance management, once considered indispensable, is now being totally redesigned—with a focus on much more simplicity, coaching, agile goal management and developmental feedback. Bersin believes that real-time engagement monitoring is going to become a serious topic in the next year or two.

Today, as the economy picks up and companies are competing for people again, businesses want HR tools and systems that directly drive employee engagement and help improve employment brand, as well as platforms that harness and reach out into the Internet to find, source and attract candidates. They want learning software that builds a compelling, self-directed digital learning environment, and they want goal-management tools that are agile and easy to use, and help people develop.

“While everyone is here to drive results in some fashion,” says Bersin, “I would suggest that thinking of people solely as ‘talent’ has become a limiting concept. Of course we want to hire, train, develop

and enjoyable work experience, and giving them software tools that can make their work easier, not just tools for HR,” he adds. “The idea is to focus on everyone’s strengths and find roles that help people leverage their skills, empowering them to add value wherever we can.”

Amy Wilson, vice president of HCM products at Workday, in Pleasanton, Calif., says the fact that culture, engagement and retention are critical business and HR concerns comes as no surprise. Most Workday customers, which include a diverse portfolio of employers including Brown University, Chiquita Brand Foods and Hewlett-Packard, are experiencing the evolution of moving from talent management to the emerging notion of people management.

Wilson explains that Workday helps clients face the critical challenge of retention and engagement by increasing the likelihood that the employee’s next work experience is inside the enterprise, not somewhere else.

“There are a tremendous amount of opportunities in the world,” she says. “When an employee asks ‘What can I do next?’ we want to help the organization ensure that next great career move is inside the company.”

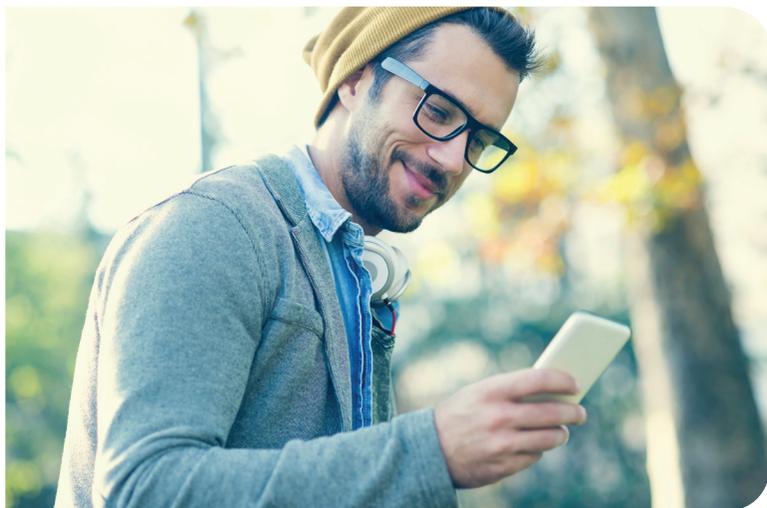
Of course, that involves optimizing passion and engagement across the workforce by helping people find the right roles, experiences, etc.

“What we are seeing is jobs are dead, even careers are dead. People want experiences at work,” she says. “Millennials want to have a constant sense of feedback and accomplishment, and so do most of us. It all comes down to the overall experience.”

Across the Workday customer base, says Wilson, there exists a serious focus on growth and a sense of full economic-recovery mode. And that means, in order to sustain and compete, it’s not about the few, but about empowering everyone within the organization, taking a more inclusive approach. She says it starts with the candidate experience; it has to be love at first sight, even when they first visit a potential employer’s career site to check out available openings or apply for one.

“They want to know where they stand in the interview process, which is a major frustration point for candidates, a black hole,” she says. “They want to feel connected from the start.”

For those moving across the enterprise to new experiences, Workday can help HR deliver the right



and lead people so they deliver results, but today, we have to reflect on the fact that each individual who works for us—and many more are contingent each day—are actually individual people, coming to work for their own particular reasons. We have to try to make each person as effective as they can possibly be.”

Talent-management concepts and principles conceived over the past decade are not going away, Bersin says. But as an area of focus, HR leaders should think more broadly.

“People management means focusing on making employees happy, giving them a highly engaging

insights directly to employees. After all, Workday knows who they are and what they have done before and the skills they possess. Most of all, Workday has helped uncover what their career interests are, who they worked with before and on what projects. “The system can take that information and recommend to people experiences to consider and prompt them along to a next move,” she says. “This is just the beginning of how machine learning—algorithmic models that can learn from and make predictions on data—will be leveraged to engage and empower individuals.”

Wilson says Workday’s platform unifies all the data, combining core HR and talent management, delivering people management seamlessly.

That way, you can avoid the pitfalls of a stand-alone talent tool, which may be missing what is really happening.

“Promotions, compensation increases and managerial changes are concrete events that can be used to predict future outcomes, especially when combined with other factors such as skills, interests, feedback, and surveys,” Wilson says. “For HR and business leaders,” she adds, “that results in an endless opportunity to retain and directly engage with the workforce. Workday can make recommendations, not just because we have the qualitative information, but we really know what’s happened and it’s all so tightly interwoven.”

Beyond the Full-Time Workforce

Another way in which talent management is being transformed to people management deals directly with the makeup of the workforce, both today and certainly in the future, according to Ravin Jesuthasan, global practice leader for the talent management practice at New York-based Towers Watson. He says the issue of moving to people management extends to the “new world of work,” mainly driven by the rise of the independent contractor.

Jesuthasan—whose latest book, *Lead the Work: Navigating a World Beyond Employment*, was co-written with John Boudreau and David Creelman—says that, where getting things done once meant assigning it to an employee, today’s leaders are increasingly at risk if they fail to recognize



that both talent and work can float into and out of an organization.

Along the lines of Bersin’s view that “pre-hire to retire” is leaving the HR lexicon, Jesuthasan says long-term employment has given way to medium- or short-term employment, marking the first step in severing the bond that once fixed an individual inside an organization.

“Getting work done by means other than an employee was once considered a fringe event, but now, leading organizations are accepting and taking advantage of the notion that talent has shown itself to be mutable,” he says.

For example, says Jesuthasan, businesses have in recent years come to realize that to be considered world-class requires a digital footprint, and most are very anxious to get there quickly. A client company recently informed Jesuthasan that it was going to go out and hire the best and brightest people to make the transformation to a digital presence. All it wanted to know from him was what it would cost.

“I asked, ‘Why do you think you can go from no presence at all to managing and attracting this pool of talent in a way that is economically sustainable?’ ” he says.

Pricing out the pay and the benefits for such talent was doable, says Jesuthasan, but what if his client would disaggregate those jobs into their component activities and explore different options for getting those activities done? Just the cost of compensation and benefits would be three times as much as using a combination of resources such as free agents from sites such as topcoder.com for application development work, a consulting firm for technology integration activities and existing

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employees for the change management activities required of a developer.

This way, the client could get a world-class application development capability at a fraction of the cost, time and risk of getting this work done through employees. Jesuthasan says employers are moving from the traditional definition of talent, broadening the term because talent is no longer just employees; it's everyone a company engages with on every level.

"It's essentially the outcome of technology enablement to pull a job apart, throw it out to various partners, be they free agents, alliances or vendors, and then have it reassembled," he says. "It's the democratization of work. Everyone who touches the work a company needs done is part of the equation."

Jesuthasan says the trend represents a huge tech play: How can I give a business leader the same visibility to every entity doing the work as he or she has to the organization's employees?

Boudreau, professor and research director at the Center for Effective Organizations, part of the University of Southern California's Marshall School of Business, says defining talent today means including anyone who engages with an organization and helps it achieve its goals.

"Top to bottom, there are changes in today's talent imperatives," he says. "For instance, how does this new holistic view reflect the evolution of technology in other HR areas? Employees and leaders look to examples like Amazon and Google, who anticipate needs without requiring joining an

organization or completing lengthy forms. HR needs to lead organizations to anticipate how workers can be successful beyond the traditional organizational employment structure."

In the end, says Bersin, with talent management, HR generally buys software that integrates all of HR together into an integrated data platform. But with people management, HR typically buys software that empowers people to do their jobs better, is very easy to use and is a "system of engagement" as well.

"The shifts are profound and subtle at the same time," he says. "Ultimately, what has happened is that employees are now 'in charge' and many HR or business leaders are thinking about building a company or organization that honors and empowers everyone."

One of the tools Bersin has been working on over the last year is what he has dubbed building the "simply irresistible" organization, a company that appeals to each individual in his or her own special way.

So is the term "talent management" dead? As defined in 2004, Bersin says yes. But rather than throw it all away, he says, HR should take what it has learned and evolve into something even better: a people-management function and mind-set.

"Whether you are a leader, manager or HR professional, you need your organization to succeed," he says. "Building on what we've learned and focusing on the new topics of fit, engagement, empowerment and culture can help us move the entire organization forward."