



Working Group: Talent Strategy: Disruption and its Implications for Talent Acquisition and Development

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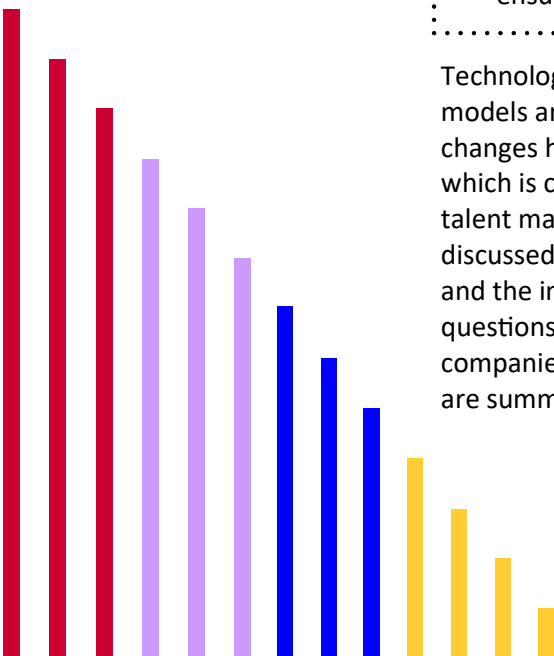
Participating Organizations:

Cardinal Health
Cornell University
General Electric
Hewlett Packard Enterprise
HP
IBM
Johnson & Johnson
Microsoft
Netflix
Polaris
Workday

Key Takeaways:

1. A number of trends are disrupting talent strategies across companies, including globalization, shifting employee expectations, the growing availability of data, and the rapid pace of change.
2. In light of all of this change, the core focus of the talent strategy in many companies has shifted to the employee experience. How do we deliver an employee experience that is both consistent across different segments of the workforce and flexible enough to respond to evolving employee expectations?
3. Companies are adjusting the structures of their talent organizations to facilitate greater mobility of talent across businesses. Questions are also emerging about whether the traditional Centers of Excellence (COEs) still make sense or whether new structures are needed.
4. There has been an explosion in new talent technologies hitting the market which can make it difficult to determine which applications are robust and have the potential to add real value.
5. Companies have more talent data at their fingertips than ever before, but continue to face threats to the effective utilization of this data, such as ensuring data quality and drawing insights from the data.

Technological, demographic, and socioeconomic forces are disrupting business models and driving changes in the nature of work and organizations. These changes have potentially important and widespread implications for talent, which is causing many organizations to take a step back and reexamine their talent management strategies and practices. In this CAHRS working group, we discussed the disruptions that companies anticipate over the next several years and the implications for their talent strategies. We also explored other key questions surrounding the evolving talent management practices within companies. A few of the key themes and insights that emerged during the day are summarized below.



Disruption and its Implications for Talent Strategy

The group began the day by discussing some of trends that are disrupting talent strategy in their organizations. A few key themes emerged from this discussion:

- *Globalization and acquisition* have important implications for the design of the work. Companies need to empower where things are happening and need to think carefully about where the work needs to sit (e.g., centralized vs. decentralized).
- *Expectations of the new workforce* are causing companies to reexamine many aspects of their talent strategy. The new workforce is placing a greater weight on mobility, boundaryless careers, and meaningful work. Companies are increasingly interested in how they can personalize the employee experience and offer greater flexibility to respond to these diverse and changing preferences.
- *New employee capabilities* are needed so people are equipped to handle all of the change and disruption. Employees need critical thinking skills, resilience, and the ability to handle ambiguity. It is also important to build a culture that embraces change.
- *Data and analytics* are increasingly being used to inform talent strategies and practices. For example, LinkedIn data can be mined to map the typical career paths for certain roles, which can then be reverse engineered to provide employees with career roadmaps. The challenge is that in today's dynamic world these data and insights can quickly become outdated.
- *Pace of change* seems to be constantly accelerating and companies are struggling to keep up. When things are changing so rapidly there is a tendency to fall into routines and traditions that may no longer be appropriate or to focus on short-term execution. Ultimately, employees need the space to evolve, but this can be challenging given the desire to maintain control and oversight.

Focus on the Employee Experience

In light of all of this change and disruption, the group noted that their core focus has shifted to the employee experience — in particular, delivering an employee experience that is both consistent across different segments of the workforce and flexible enough to respond to evolving employee expectations. To this end, the group discussed several important components of their employee experience strategy:

- *Understanding employee expectations* is essential to delivering an excellent experience. Companies are using more frequent, mini-pulse engagement surveys to keep tabs on what employees want. The challenge, however, is often how to execute on the data. Solutions often end up being standardized and can break down during handoffs from one part of HR to another. There are often long gaps of time between the surveys and the solutions, which can lead employees to become disillusioned with the process. Overall, the risk is that we get the voice of the employee but then don't respond to it. For this reason, some companies are replacing engagement surveys with more informal listening systems that create a direct line of communication between employees and their leaders\the business.
 - *Leader accountability* is also critical for delivering on the employee experience. Companies are increasingly using talent scorecards, quarterly reviews, and other reporting mechanisms to create greater visibility and leader accountability. It is important that these metrics are tied to business outcomes so leaders see a clear business case, although this often remains challenging. HR needs to get better at designing studies and pilots that can be used to help demonstrate the business case.
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Structure of the Talent Organization

The group spent some time discussing the structure of their talent organizations and the associated strengths and challenges of different models. This discussion touched on aspects of both “hard” (i.e., formal) and “soft” (i.e., informal) structure. This discussion revealed several trends:

- In many companies, talent is managed at the business level. The strength of this model is that it allows for flexibility and local customization. However, silos are often a challenge, as talent is managed within rather than across businesses. Companies have adopted numerous strategies in an effort to facilitate the movement of talent across businesses, including rotations and leader accountability (e.g., evaluating leaders on whether they are sharing talent).
- Companies are modifying their strategic planning processes to drive greater alignment between talent structures\strategies and business trends. This includes translating business goals into specific talent deliverables (e.g., headcount, skill requirements, costs) and working with both business leaders and talent acquisition partners to monitor where the market is heading and the potential implications for talent strategy.
- Some companies have begun to question whether the traditional Centers of Excellence (COE) still make sense or new structures are needed. For example, do we need a COE focused on just top talent? Should the talent organization be organized around key outcomes (e.g., employee experience, managerial capability) rather than functional areas (e.g., learning, acquisition, diversity and inclusion)?
- Relatedly, many companies are looking at how to drive better integration across different delivery pillars (e.g., COEs, HR Business Partners, Shared Services). Some of the strategies companies have adopted to facilitate integration include the following: collocating people from different areas to drive collaboration; having COEs work closely with HRBPs to understand what is happening in the business; and rotating HR leaders through different roles so they have a holistic perspective. Participants also noted that it is important to change what we measure if we want to change the behaviors. For example, rather than focusing on more short-term and narrow metrics (e.g., time to fill), we should focus on more long-term and integrative measures (e.g., candidate\employee experience, quality of hire).

Talent Technologies

The group engaged in a brief discussion of talent technologies. Many companies are supplementing their core human capital management system (e.g., Workday) with more specialized talent technologies (e.g., a mobile recognition application). There is no shortage of new applications hitting the market, which participants noted can be overwhelming. In particular, it can be difficult to figure out which new technologies are robust and have the potential to add real value. Also, as companies adopt different technologies, it can be challenging to get the different systems to talk to one another and to integrate data across them.

Talent Analytics

Companies have more talent data at their fingertips than ever before, in part because of the technological advances mentioned above. Yet, there remain a number of threats to the effective utilization of this data, including the following:

- *Data quality* often remains questionable. The wrong data may be pulled for a particular report, or the data itself may be inaccurate. Sometimes we focus on the wrong metrics because they are what we are able to

measure. In order to address these issues, some companies have built dashboards that focus on a few key metrics that they can ensure are accurate.

- *Insights and interpretation* are critical analytical skills for HR professionals. They need to be able to move beyond just reporting to generating insights that can be used to guide talent decisions. Also, they need to be able to ask the right questions based on their human capital expertise and their understand of the context. They also need to maintain an appropriate level of skepticism (e.g., question whether the data is current and relevant).
- *Predictive analytics* are increasingly being used to inform talent strategies. In succession planning, for example, analytics are being used to try to predict who might be a good fit for a role and to unearth hidden talent. Predictive analytics are also being used to identify attrition risks and to target proactive retention efforts. Although these efforts are promising, participants also noted that we still have a ways to go in terms of generating reliable and useful predictions.
- *Assessments* varied considerably in prominence across companies. Some companies were expanding their assessments to cover more areas (e.g., cognitive assessments, leadership assessments, values assessments, team assessments) and a variety of deliveries (e.g., gamification, simulation, interview). Other companies, however, have moved to more grassroots efforts (e.g., leader-talent intimacy) because of questions about the return on investment associated with some assessments. Artificial intelligence is also increasingly being leveraged in assessments, though not without some concerns (e.g., potential to introduce/reinforce bias).

This Summary Report was prepared by Brad Bell for participants of the Talent Strategy: Disruption and its Implications for Talent Acquisition Working Group.

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