SOLVING TALENT SCARCITY

The Strategy for Winning the New War for Talent

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The war for talent is back. But this time, the way to win it isn't by solidifying your employment brand or ramping up your recruiting machine. In fact, there are probably plenty of people aware of and even applying to your jobs.   So why is it still so hard to find the right talent?

The battlefield is different now. According to the Corporate Leadership Council, 2 out of 3 CEOs identify the lack of the right skills as their biggest talent challenge. Grant Thornton International Business reports talent shortages are dampening business growth around the world, even in mature economies including Canada, Japan, Germany and France.   In the US, where more than half of the approximately $4 million job openings go unfilled due to the lack of the right talent to fill them, organizations are realizing the skills they need aren't available to be bought on the market. Despite their best efforts to broaden their reach through social media, enhance the attractiveness of their employment websites, and ramp up the velocity of their sourcing and selection activities, over 1/3rd of global CEOs say the lack of talent has actually stopped them from executing on their strategies.

The **right talent** has become an endangered species.

As work becomes more and more specialized, organizations need to get better at building their talent to ensure a consistent and capable pipeline of ready people for all of their most important jobs. Generic leadership development programs delivered to the chosen few just aren't enough to solve the talent scarcity problem.

In order to successfully deliver your organization through the new war for talent, you need to:

1. Really know your organization's talent profile
2. Understand your true talent needs
3. Perform regular gap analyses
4. Provide tailored learning opportunities to grow capabilities
5. Incent managers to highly prioritize internal talent mobility

REALLY KNOW YOUR ORGANIZATION'S TALENT PROFILE

Almost every organization has some useful information about the talent of their workforce somewhere, usually captured in the talent acquisition process. Unfortunately, few of them actually use that information after their people have been hired. And even fewer have systems in place that help keep that information up to date and accurate.

Average HRMS Consolidation Project:

- ⌐ Takes 3 years
- ⌐ Costs $6 million
- ⌐ 2/3rds fail to produce more than 50% of benefits
- ⌐ 10% are outright failures

* Source: Panorama Consulting

It makes logical sense that understanding the unique profile of all our people is an important aspiration. But, for most, it's really hard. Whether you have thousands of people across the globe or are part of a smaller, growing organization, 75% use more than 3 HR systems. And as if getting a comprehensive view of your people's talent with multiple HR systems wasn't hard enough, systems outside your organization, liked LinkedIn and others, often know more about your people than you do.

In the past, starting over with systems consolidation or launching a massive data warehouse project seemed like the only way to get a single view of your organization's talent profile. And because these systems consolidations often take years and millions of dollars to accomplish, and generally produce less than half the expected benefits, many organizations gave up on really knowing their talent profile.

But you can get the comprehensive view of your people you need without systems consolidation. The SumTotal elixHR™ Platform is the industry's only virtual system of record that gives you the benefits of data integration and consolidation without the time, risk, or cost. It's designed to merge, blend, and modify information from any system or third-party applications you already have, including popular cloud-based applications or multiple HRIS systems, or any of your SumTotal applications to create a virtual system of record through hub technology.

The elixHR Platform also includes Master Data Management (MDM) technology that processes, consolidates, standardizes the data into a single model, and applies business rules and security to build context. With the elixHR Platform, you get one comprehensive view of your people regardless of how many different data sources you have. You can

also integrate with information and systems outside of your HR infrastructure, like operations systems or LinkedIn, and even pull in data from spreadsheets.

UNDERSTAND YOUR TRUE TALENT NEEDS

Is your organization on the hunt for the elusive purple squirrel? That is, are you constantly searching for a talent profile that just doesn't exist? Or worse, do you only hire people who have done a job instead of people who can do it?

According to Matthew Bidwell from Wharton (2012), external hires demonstrate significantly lower performance in the first two years on the job, experience 20% higher turnover rates than internal hires, and are substantially more expensive, even if they are experienced at the things you think you're looking for.

While knowledge and experience are important, who people are and what they can do are more indicative of future performance. In order to understand your true talent needs, you need to regularly assess personal attributes and capabilities.

PERFORM REGULAR GAP ANALYSES

Solving the talent scarcity problem and winning the new war for talent really boils down to an examination of supply and demand. Organizations who regularly examine the gaps between what talent exists in the organization and their true talent needs are able to more successfully react to changing business conditions and see significantly better results in many important people metrics, including productivity, engagement, and internal promotions. And when you can consistently access information about your people and have a clear understanding of your needs, analyzing the gaps is easy.

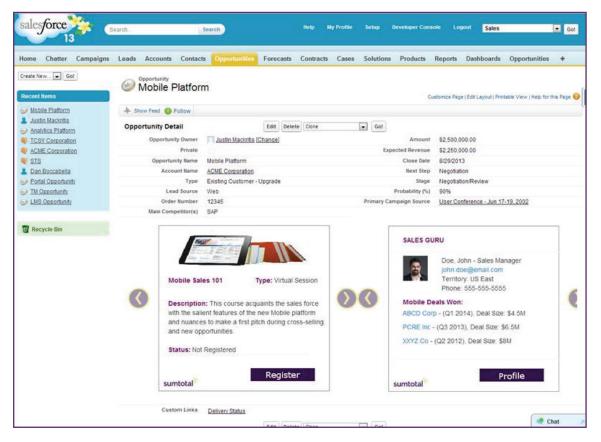## PROVIDE TAILORED LEARNING OPPORTUNITIES TO GROW CAPABILITIES

The hard part is what comes next – doing something about the gaps. People are different, even if they work in the same organization at the same job. But most organizations' training and development programs, when they exist at all, are still one-size-fits-all. And some organizations are hesitant to offer comprehensive development programs to all employees for fear of distracting them from their current job duties.

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SumTotal's Talent Expansion™ applications use context and pervasiveness to enable organizations to provide people with tailored learning opportunities to grow their individual capabilities and increase their readiness. Instead of forcing your employees to figure out what actions they should take to close skill and capabilities gaps, Talent Expansion applications provide specific recommendations based on their profile, your needs, and proven activities from other successful employees.

An Example of Talent Expansion™ in Action:

In-context, relevant learning and collaboration opportunities from SumTotal's Talent Expansion™ applications can be delivered directly within other, non-SumTotal, applications like salesforce.com.

By integrating these activities into their daily work, you can ensure your employees are building the skills you need them to have to be successful in their next role while they perform their current duties. And by tailoring these actives to your employee's needs, you increase the effectiveness of your development program while making a significant positive impact on engagement and productivity.

INCENT MANAGERS TO HIGHLY PRIORITIZE INTERNAL TALENT MOBILITY

Maybe the biggest obstacle organizations face in solving talent scarcity is themselves. Most managers are incented primarily, if not solely, on what their organizations accomplish, and don't receive much recognition for enabling their people to find new jobs in new departments.

Current research by the Bureau of Labor Statistics points out that younger workers now change jobs every 1.8 years. If your organization isn't incenting managers to grow talent on behalf of the organization and help them move into positions outside of their purview, your best people are likely looking to leave.

By measuring and incenting your managers on their ability to be stewards of talent for the organization, you can ensure your best talent is always in your most important roles.

Context:

With HR technology, integrated data can provide context for actions in the system and allow recommendations and "advice" to be focused and targeted. Think about Amazon.com or other consumer websites that offer suggestions of products based on the item you are searching and information they already have about you. In the workplace, imagine you've taken on a new project or task you've never done before, and your HR technology provides you with information and recommendations to help with that specific activity. That's how powerful context can be.

Pervasiveness:

One of the less user-friendly aspects of most HR technology is the need to leave what your doing, whether it be interacting with a customer or operating in some other application, to access information or actions in an HR system. Imagine if you could access the talent or learning data and functionality you need right within your current workspace or within seconds on your mobile device. With SumTotal's Talent Expansion applications, you can.

CONCLUSION

The external talent market can no longer consistently provide organizations with the specialized talent they need to sustain operations and create competitive advantage. Internal development programs are often too generic or limited to be effective. By following these five steps, really knowing your organization's talent profile, understanding your true talent needs, performing regular gap analyses, providing tailored learning opportunities to grow capabilities, and incenting managers to highly prioritize internal talent mobility, you can solve talent scarcity, increase employee engagement, and win the new war for talent.

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CONTACT US TODAY

We're ready to partner with you for new talent solutions. For additional information, send an email to: **connect@sumtotalsystems.com**

ABOUT SUMTOTAL

SumTotal Systems, LLC, the largest independent provider of integrated human resources (HR) solutions, is increasing the performance of some of the world's most successful organizations, including AstraZeneca (NYSE: AZN[ADR]; London: AZN), Amway (KUL: AMWAY), and Seagate (NYSE: STX). The only HR solution provider to deliver Talent Expansion™, a whole new approach to discovering, developing and unleashing hidden potential within our customers' workforce, SumTotal delivers employee enablement solutions that help organizations become great places to work. SumTotal's people-focused applications, available on premise and in the Cloud, enable contextual, just-in-time development designed to advance employees' skills and knowledge. Today, more than 3,500 organizations, including several of Fortune's "Best Places to Work," rely on SumTotal's on premise and cloud-based Talent Expansion applications to enable and empower their employees. Visit us at **www.sumtotalsystems.com.**

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