

TALENT MANAGEMENT AND THE HRIS SOLUTION

HOW AN HRIS CAN HELP WITH TALENT MANAGEMENT

TALENT SHORTAGE

HR professionals everywhere are saying the same thing—recruiting and keeping talent is only getting harder.

When the baby boomers retire, many companies will find between 35 and 60 percent of their executives, middle managers and key experienced employees retiring, leaving a vacuum of experience in their wake.

Companies are already abandoning the tradition of hiring and firing employees in favor of developing their workforce.

WHY TALENT MANAGEMENT?

The talent shortage is reason enough to implement a strong talent-management strategy, but there are other reasons, as well—

- Ensuring continuity of leadership and key employees through planning and development
- Preparing for changes in the company and subsequent changes in the workforce, whether by choice or driven by the market
- Engaging employees to get the most from them and encourage their commitment to the company

WHY TALENT MANAGEMENT? (CONTINUED)

To find, develop and keep talent, companies need to implement comprehensive strategies that address every step of the talent-management life cycle—

- Recruiting
- Onboarding
- Performance Management
- Training and Development
- Needs Assessment (Gap Analysis)
- Succession Planning

TECHNOLOGY HELP

Companies are much better served by employing technology—a human resource information system (HRIS), specifically.

A true HRIS blends traditional HR functions with talent-management tools, providing a complete picture of every employee that HR professionals can use to develop a truly comprehensive talent-management strategy.

An HRIS can 1) serve as a primary tool for improving communication with applicants and employees, 2) help engage employees, and 3) provide structure for the company's talent-management strategy.

THE ANSWER: AN HRIS

BACKGROUND ON HR SYSTEMS

HR systems first found their way into use in the 1960s by large companies looking to automate traditional HR functions. As part of mainframe-based payroll systems, they were expensive, required total IT involvement and had limited functionality.

The advent of the personal computer in the 1980s brought companies into the electronic records-keeping era and made it possible for any size company to afford and manage HR software. In the 1990s, client server systems drove the market briefly but faded as people realized the future was the Internet. In the late 1990s, web-based systems took over the market.

Over time, HR systems began to evolve beyond basic automation of traditional HR functions. Some took on features to enhance their basic functions, while others emerged to specialize in certain areas.

TODAY'S HRIS

Today's best-of-breed HRIS products like SPECTRUM'S iVantage® automate everything related to HR in a single web-based software system.

These systems enable companies to track, manage and analyze data for all employees from applicant to retiree. They automate workflow to improve efficiency and, with powerful reporting tools, provide a complete picture of a company's workforce for better strategic planning.

Systems like iVantage incorporate traditional HR with talent management. They blend functions like benefits administration, time and attendance, performance management and total compensation with training and development, needs assessment/succession planning and self-service.

By bringing everything together, today's HRIS products provide the complete picture for comprehensive talent management.

WHAT AN HRIS OFFERS

COMMUNICATION

In today's world of immediate information transfer (e-mail, text messages, cell phones, 24-hour news), people expect easy and immediate access to information.

Using an HRIS as their information source, companies can improve communication of HR and company strategies, reduce time and money spent on paper documentation and significantly decrease HR call volume.

With employee HR and benefits information stored in the HRIS, employees can access that vital information at any time, along with other company communications.

A web-based HRIS, which provides immediate answers and 24-hour access, can serve as the primary vehicle for communicating with applicants and employees.

ENGAGEMENT

Engaging employees requires companies to inform them of the company's direction, invest in their future and give them greater control over the direction of their careers.

Job satisfaction, on a basic level, is contentment in having a well-paying job, receiving adequate benefits, working with good people, et cetera. Engagement in a job is something more.

Engaged employees want to know what impact their work is having beyond their cubical, what impact the company is having on industry and how well the company is performing. They buy into the company culture and take an interest in their work and the company as a whole.

Engaged employees also feel that the compensation they receive is what they deserve—not just in salary but in other forms, including benefits as well as training and development opportunities.

ENGAGEMENT (CONTINUED)

When employees feel valued, work with people they respect and see opportunities for personal growth, they have little reason to look elsewhere.

Companies need to continually communicate and reinforce the company mission and identity, enriching the culture and the bond with their employees. At the same time, they need to give employees the opportunity to be active in their own career path. An HRIS can be the vehicle for that.

STRUCTURE

Recruiting, onboarding, performance management, training and development, needs assessment (gap analysis) and succession planning—an HRIS has all the tools to perform these tasks; it's just a question of using them.

With these functions and the complete picture of every employee an HRIS provides, managers and employees can build career paths while HR creates a companywide talent-management strategy.

An HRIS provides the structure around which a company can implement its talent-management strategy.

USING AN HRIS FOR TALENT MANAGEMENT

A fully integrated HRIS enables companies to merge traditional analysis with their talent-management plans. A best-of-breed HRIS like iVantage can help in every step of the talent-management life cycle.

RECRUITING

An HRIS can make the recruiting process much more efficient for both sides of the equation while making the company more attractive to today's techno-centric applicants.

Having a structured online recruiting system with immediate, anytime access to job applications shows prospective hires that the company is well-organized and tech-savvy.

As a communication tool, an HRIS is the fastest way to get information out to applicants. It's also the easiest way. With the exception of telephone and face-to-face interviews, the job application process can be done completely online.

With self-service, applicants can fill out a profile similar to those of employees, which the company can customize. They can upload a resume and samples of their work, if applicable, and search and apply for jobs.

Companies can establish detailed requirements and desired qualifications, including education, work experience and proficiency levels in specific competencies and other aspects of each position.

During the negotiation process, managers and HR can design a compensation package tailored to what is most important to the prospective employee. While most applicants value a high salary, other forms of compensation can be just as important, including health care and training.

Managers can project the exact costs of an employee's salary, health care and potential training and development. They can then present a package that is of higher value and is potentially more attractive to the applicant than another company's. In the end, the applicant may choose the company willing to invest in their future as well as their current talent.

ONBOARDING

The Statistics

According to an August 2006 Aberdeen Group report—*Onboarding Benchmark Report: Technology Drivers Help Improve the New Hire Experience*—90 percent of companies believe that employees decide whether to stay at an organization in the first 6 months.

The best companies, according to the report, extend onboarding that full 6 months and use technology in the process, thereby reducing costs, turnover and the time it takes for new employees to be productive.

Top companies distance themselves from their competitors by using technology to help with “forms management, tasks management, socialization, building a network, measuring performance and compliance,” according to Aberdeen. This includes—

- Automating communication and filling out forms
- Alerting new employees to onboarding needs
- Tracking new employees’ progress getting up to speed
- Providing a personal page where employees can see their own data

The traditional functions in an HRIS help HR departments by automating these tasks and putting the data entry work associated with them into the hands of new employees. They also give the employees a sense of ownership over their personal information and a structure to their first few months on the job.

ONBOARDING (CONTINUED)

Future Plans

Employees want to feel that their company cares about them and has their interests at heart. They want to know what's possible and what the company has planned for them.

By providing new employees with a structured 6-month onboarding process heavily influenced by an HRIS, where they can actually see and control much of what happens to them, they're instantly engaged.

When a new hire comes on board, the company wants to develop them, so it pushes information to them through its HRIS. New hires can immediately see what courses are available to them and what path their career could take at the company.

That structure and future path shows new hires that the company is organized, has bigger plans for them and is willing to invest in their career development. This knowledge could be the difference between deciding to stay and looking elsewhere, especially in today's job market where individuals can "job-hop" with much less of a negative stigma than in years past.

PERFORMANCE MANAGEMENT

Companies can use an HRIS to design customized performance management programs that are completely online, paperless, efficient, comprehensive and easy to use.

With iVantage, HR personnel can create standard performance review questions while managers can create custom questions for their departments. Automatic alerts let managers know when upcoming reviews are near as well as other deadlines, such as dates for submitting review questions.

Employees under review as well as managers and anyone else involved in a 360-degree review can complete questions online through self-service, greatly speeding up the process and making it much easier for HR.

All parties involved in the review have access to information that can help their review, such as discipline history, training courses completed, goals accomplished, certifications and previous reviews.

HR can also calibrate reviews based on each reviewer's past evaluations, which are stored by the HRIS. Just as with college professors grading on different scales, HR personnel can calibrate the results of the review so that each employee receives a fair evaluation.

Employees can also include their personal career goals in performance reviews, including reaching a specific level of proficiency in a competency, achieving a certification by a certain date or becoming a manager within a certain time frame.

TRAINING AND DEVELOPMENT

Training and development is becoming much more a part of the culture and daily life of workers as the recruitment crunch squeezes in. Companies are shifting the focus onto developing competencies in employees so that they have a more agile workforce capable of filling gaps without hiring new people.

Companies can use an HRIS to more easily and quickly administer their training and development—setting up courses, enrolling employees and developing career paths. They can also use it to monitor the total investment they're making in employees with training and development in addition to compensation and benefits.

Courses

In iVantage, users can set up courses (taught either internally or externally)—class times, facilities, costs and trainers—then offer registration for the courses through self-service, where employees can sign up themselves.

Training History

Managers can assign needs and keep a complete history of training and development for each employee. iVantage automatically updates completed courses along with associated competencies, qualifications, certifications and needs.

Managers can also view the cost of every course and track the total investment the company has made in training for each employee. Managers can view this information alongside an employee's total compensation package when debating whether to encourage or discourage further training opportunities.

TRAINING AND DEVELOPMENT

Self-Service

With self-service, managers and employees are active participants in training and development.

Employees can see requirements and qualifications of jobs they aspire to and use that information to plan their futures. They can make their own development plans and monitor training and development progress along those plans. Once they put their goals into the system, the goals automatically become needs. Employees can also nominate themselves for positions.

Giving employees control over their career paths shows confidence in them, which makes them feel more respected and part of the team.

Managers looking to fill positions can search for employees with specific qualifications, competencies, behaviors and personal career goals. They can also monitor employees to assess their readiness for positions, comparing outstanding needs and competency matches to job requirements as well as establishing mentoring programs.

NEEDS ASSESSMENT (GAP ANALYSIS)

With an HRIS, companies get a bird's eye view of their entire workforce. They can perform two types of needs assessments—those for individuals and those for the workforce as a whole.

Competency Models

Competencies are the attributes that enable someone to do their job, including knowledge, abilities, skills and other characteristics. Some competencies are easy to measure, such as whether someone is proficient in a second language or holds an industry certification. Others are more subtle, such as a person's leadership or organizational ability.

Companies can measure both types and use them as the basis for filling positions. An effective competency model combines the attributes needed to succeed at a company and in a certain position.

For each employee, HR can create a table that lists that person's competencies and proficiency at each of them, measured on a scale appropriate for each competency (e.g., 1 to 10 or low to high or never to always). Coupled with a list of the employee's education, work experience, certifications, et cetera, HR has a complete picture of what that employee can add to the company.

iVantage incorporates over 200 competencies as a baseline for establishing competency models. HR personnel can use these and others they add on their own to fill individual positions and develop employees—comparing what the position needs and what a candidate brings to the table or can learn.

Companywide Needs Assessment

Using an HRIS like iVantage, companies can look at their workforces as a whole and see where the overall gaps lie. If a company lacks employees with experience in the 2- to 6-year range, they will know by compiling that information using reporting tools.

The search and report features enable HR to compile lists of staff with specific qualifications—education, work experience, training, certifications, licenses, competencies. Applied against the company's competency models, leadership can see current and future gaps in their workforce.

SUCCESSION PLANNING

Succession planning is an integral part of any successful business. Jack Welch, CEO of General Electric from 1981 to 2000 during that company's growth from a \$13 billion to \$410 billion business, said choosing his successor was the most important decision he would make.

James Collins and Jerry Porras, authors of *Built to Last: Successful Habits of Visionary Companies*, found that only 3.5 percent of visionary companies—companies leading their industries at least 50 years—chose their chief executives from outside, compared to 22 percent of less successful organizations.

Succession planning enables companies to react to and plan for demographic changes in the workplace such as the retirement of the baby boomers, changes in business models, increased competition for talent or unplanned turnover.

With an HRIS like iVantage and the bird's eye view that it gives, companies can plan for changes in individual positions and also changes in their workforces as a whole. They can look at their assets and develop their workforces into what they want.

Filling Positions

To be successful, managers must establish a systematic approach to identifying, nominating and selecting potential successors for positions. They need to better identify the responsibilities, skills and competencies needed for those positions and develop the high performers who are most likely to be ready to step up.

Managers can use an HRIS to rank employees based on proficiency levels in certain competencies, qualifications, behaviors, education, et cetera. They can nominate employees for jobs and review gaps in employee development. Managers can successfully monitor a talent pool of potentially promotable individuals, developing replacement and succession models when considering advancements.

With the complete picture provided by an HRIS, managers can also view how much the company has invested in employees and use that information for future planning—taking total investments and future costs into account when analyzing whom to promote for a position.

SUCCESSION PLANNING (CONTINUED)

At the same time, employees can take an active role in their own career development. They can see the skills required for a job, set goals for obtaining those skills and, with their manager's approval, sign up for whatever additional training and development they may need. They can then nominate themselves for the job they're seeking.

Through the automated features of an HRIS like iVantage, succession planning and training and development interface seamlessly, including generation of needs, course registration and goal deadlines.

Managing the Workforce as a Whole

iVantage can track the core foundation of qualifications that succession planning is built upon for every employee, including competencies, certifications, education, licenses and languages.

Companies can develop current employees with goals in mind so that the right people have the right training to fill positions in the company as others leave. Companies can plan and budget for changes to existing staff as well as future staffing needs, right down to start and end dates of positions.

To be successful, companies need to identify what skills they will need in 5, 10 and 15 years. After doing that, an HRIS can help them plan their strategic growth around those skills. Companies can use competency models created in an HRIS, along with the software's reporting features, to build the workforces that best fit their businesses.

THE HRIS SOLUTION

As the talent pool becomes shallower, finding and keeping talented workers will be the biggest challenge the HR industry faces.

With any talent management initiative, company leaders will need to commit to a path and reinforce that commitment through their managers. An HRIS can make that easier, however, by providing a complete view of every employee at the company, the structure for a talent-management initiative and the tools to implement it.

An HRIS like iVantage makes communicating with employees much easier and encourages involvement in their own career paths—both of which serve to engage the employees and keep them at the company. An HRIS also enables managers, HR personnel and executives to plan for the future with traditional HR functions and succession planning tools that provide a comprehensive overview of a company's workforce.

With the tools a best-of-breed HRIS offers, companies can get the right people on board and get the most out of them, plan for the inevitable departures, control the preventable departures and match their workforces perfectly to their businesses.

THE NEXT STEP

SPECTRUM Human Resource Systems Corporation developed this white paper to serve as a high-level overview of how HRIS technology can aid in talent management.

The contents of this document derive from SPECTRUM's own creative efforts as well as research from a number of existing published sources. It is intended as an overview of the topic and is not designed as a step-by-step instruction booklet.

SPECTRUM encourages individuals interested in further pursuing this topic to take advantage of information available from the Internet and other sources, including the following organizations:

- Aberdeen Group (www.aberdeen.com)
- Society for Human Resource Management (SHRM) (www.shrm.org)

FOR FURTHER INFORMATION OR TO DISCUSS YOUR TALENT MANAGEMENT AND HRIS NEEDS,
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