

# AXES HR-Club

Moscow, 25th February 2011



# — Talent Challenges

## The Business of Change

And the Business will change



# Welcome to StepStone Solutions

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Central & Eastern Europe



# StepStone Solutions

A global business with local delivery

StepStone Solutions is a leading **global** provider of **Total Talent Management Solutions**  
Products deployed in over

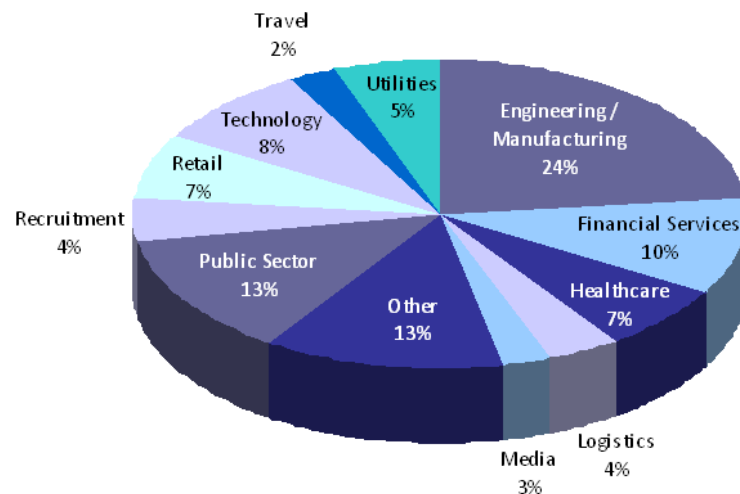
**40+ countries** and available in  
**30+ languages** worldwide  
**Make the most of your talent with StepStone Solutions**

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**550+** International development centres in

**40+** channel partners extend **global reach**  
**Norway** and **Vietnam**  
**UK, Germany, 16** based in **16** countries

## A Diversified and Loyal Customer Base



Diversified Across Industries

- Over **1,600** customers across **50+** countries
- **500,000+** corporate software users
- High customer loyalty - **98%** quarterly customer retention rate
- **Fully-staffed** commercial and technical operations in the US, Europe and Asia
- A growing, **profitable** business with revenues of **€50m** in 2009, **cash-flow positive** operations and a **strong balance sheet**
- A **comprehensive**, fully internationalised set of solutions for small, mid-sized and large companies and covering the entire talent acquisition and talent management life-cycle

## Global Brand Customers



## ■ Where is the challenge for HR ?



## ■ Where is the challenge for HR ?

### Strategic

- Identify & retain High Performers
- Shape the business - rightsizing
- Build a Talent Culture
- Align “human capital” with strategic goals
- Increase employee engagement
- Right person, right place, right time
- Encourage internal mobility
- Transparency of Talent Pool
- Think global, act local
- Performance related pay - balance service & profitability
- Identify external talent and benchmark against HiPos
- Improve HR’s strategic decision making capability

## ■ Where is the challenge for HR ?

### Operational

- Do more with less
- Enable LMs to manage talent in a more effective manner
- Empower LMs to better manage performance
- User adoption of talent process and technology
- React quickly to organisational changes (attrition etc)
- Better quality appraisals, more informed discussions
- Replace key staff at lowest cost
- Integrate core HRIS with Talent/eRecruitment systems

## ■ Where is the challenge for HR ?



**...and External**

## ■ Some official studies ...

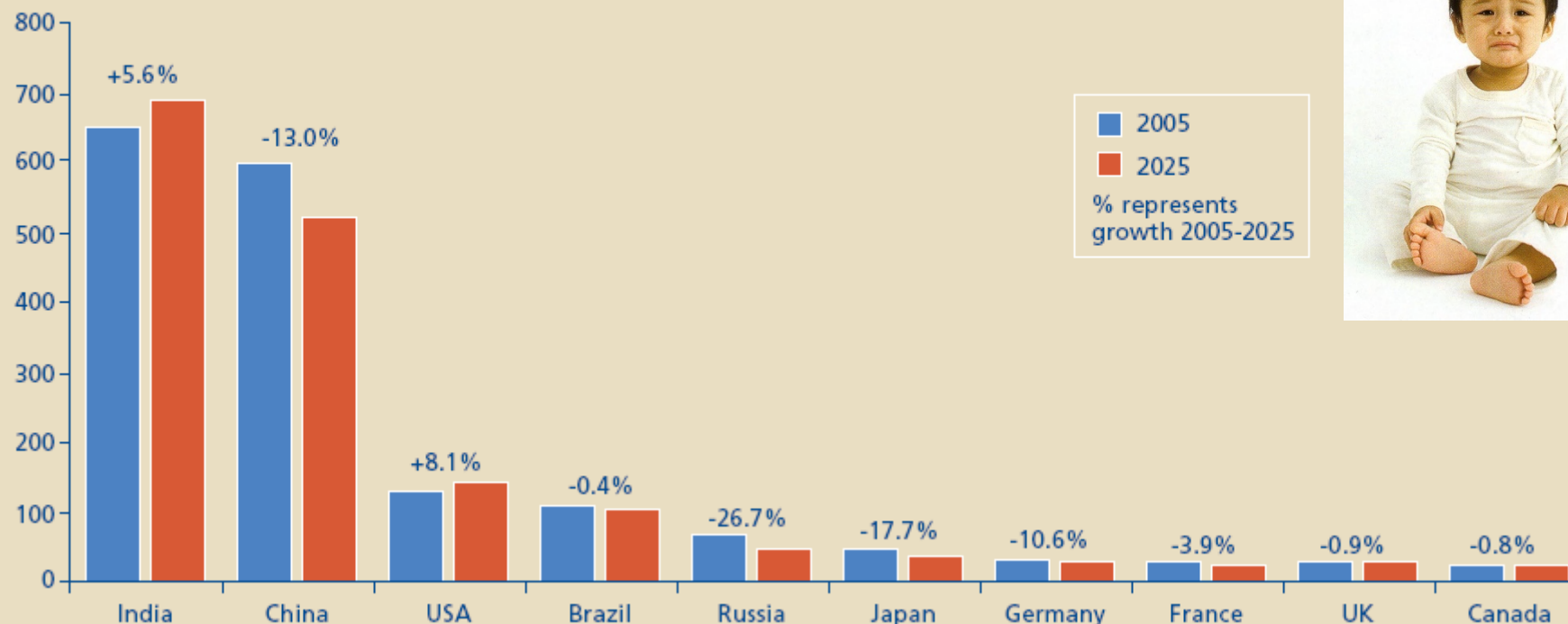


# Global Talent Trends

by Deloitte

**Figure 2. World's Talent Pools of Younger People (Under Age 30)**  
Shrinkage in most countries between 2005 and 2025 except India and the United States

Population in millions  
(Under the age of 30)



Source: Deloitte Research, Based on United Nations Department of Economics and Social Affairs, Population Division, *Population Estimates and Projections* (New York: 2005).

### SOME GENERAL “Y” CHARACTERISTICS:

- Highly networked / informed
- Freedom and independence
- Work-life balance / Flexibility
- Advanced technology
- Social / Environmental responsibility
- Continuous feedback
- Confidence to job-hop until they find the right fit

## GENERATION Y

1977-1989



## Global Talent Trends





### The most common falsehood told on a résumé:

- **38%** embellished their job responsibilities;
- **18%** admitted to lying about their skill set;
- **12%** dishonest about their start and end dates of employment;
- **10%** lied about an academic degree;
- **7%** lied about the companies they had worked for.

## First Results of Talent Management Assessment 2009

	Critical Processes	Green	Yellow	Red
1	Enterprise Performance Management	43 percent	41 percent	16 percent
2	Cascading Goals	42 percent	35 percent	23 percent
3	Enterprise Succession Planning	39 percent	37 percent	24 percent
4	HiPO and HiPerformer Strategies	34 percent	33 percent	33 percent
5	Internal Recruiting Capabilities	11 percent	62 percent	27 percent
6	Integrated Performance Management	28 percent	48 percent	24 percent
7	Accessible Employee profile	22 percent	42 percent	36 percent
8	Talent planning	12 percent	50 percent	38 percent
9	Workforce planning	14 percent	29 percent	57 percent
10	Employer Branding	29 percent	29 percent	42 percent
11	Enterprise required development plans	24 percent	34 percent	42 percent
12	Competitive Compensation	11 percent	25 percent	64 percent
13	Career Paths	14 percent	26 percent	60 percent

### Biggest Challenges

- Workforce Planning
- Compensation Management
- Closing gaps in Succession Planning
- Generation and establishment of culture of fairness and growth
- Adaptability to permanently changing framework (internal and external)

## ■ Messages throughout .....



## ■ Messages throughout .....

- Practically no reference to “human capital” - all about Talent
- Talent acquisition is the new label for e-recruitment
- Big push on the value of “integration” versus “functionality”
- Big push on the importance of “global capability” for vendors
- Lots of references to Social Networking and the impact it is having on e-recruitment, e-learning and talent management
- It’s critical that HR are aligned to the business strategy and that the Business owns the talent strategy, not HR
  - Research to be published in May (State of the HR Professional) shows that 37% of professionals don’t have the ability to connect and stay aligned to the business strategy - this was cited as their biggest challenge for the next 12 months
- Customers are still having trouble justifying ROI
  - Look at the the cost of “not having a talent strategy”
  - Workforce planning and analytics are the easiest to measure - start here and other projects will become easier to pitch

## ROI Trends

- 85% of companies have no systematic way of assessing and communicating ROI on their talent strategy
- Current state:
  - Overly complicated
  - Lack of information
  - Lack of trust about the information
  - Many approaches, but many are unproven
  - Great interest but not much application
- Can you articulate the cost of "not implementing a talent strategy" ?
- Workforce analytics and planning can be the best place to start in terms of your business case, because they claim it's the most measurable.
- How can you creatively re-allocate funding and re-prioritize your annual spend so that money could be diverted into a TM strategy?

## ROI Trends

- 5 key lessons on ROI
  1. People are not fixed assets, like inventory
  2. Managers decide with head and heart
  3. Broad strategy ROI studies are difficult but specific qualitative studies can be very powerful
  4. Employee engagement is a strong indicator and has been proven to have a direct impact on customer satisfaction and further, revenue.
  5. Advanced w/force planning and w/force analytics practices can help you avoid the need calculate full ROI on other modules - if you start here, the business case will be easier to prove than if you start with another element.

## ROI Trends

- Areas that can deliver savings:
  - Increasing retention in top performers
  - Sourcing talent from within
  - Identifying sources of quality hires/strategic sourcing
  - Identifying poor performers
  - Targeting development
  - Ensure "ready" talent
  - Aligning rewards and performance
  - Key skill retention
  - Improving service delivery
  - Streamlining technology

## ■ ROI Trends

- Areas that can impact increase earnings/value creation
  - Measuring the achievement of business goals (through performance planning)
  - Improving productivity and therefore financial performance
  - Seizing new opportunities more quickly
  - Increasing employee retention

# ■ Trends in Succession Planning and Talent Acquisition



## ■ Succession Planning

- Talent Continuity is the new term for Succession Planning
- Transparency is a must
- How can you manage your top talent if they don't know you believe in them having long term potential?
- Also, how do you know they share and are bought into your vision of where you see their future?
- Get away from the “list” concept
- Move away from roles/positions and move to Talent Pools
- When defining key positions, define what the position needs to look like in the FUTURE, as this may not necessarily be the same as how it is now.

## ■ Talent Acquisition 1 / 3

- Unemployment is at a 26 year high
- Companies must be prepared for the hiring surge as the job mkt heats up
- Applicant resume overload
  - High & low quality
  - Invest in technology for job matching and interview management
- Some industries experiencing 70-200% turnover (eg. Retail and construction)
  - These industries need high volume recruitment solutions, improved interview management and better employee engagement
  - Need to maintain talent pipelines
  - Need to maintain leadership talent
  - Implement CRM systems, social networking and alumni programs
- Hiring freeze, employment furloughs, layoffs
  - Upgrade to dynamic workforce planning through new tools and systems

## ■ Talent Acquisition 2/3

- Recruitment = Tactical : Talent Acquisition = Strategic
- Making it successful:
  - Efficiency - sourcing & assessing: cost and speed to hire
  - Effectiveness - hire quality of hires
  - Productivity - on boarding
  - Responsiveness - contact management
  - Business Integration - workforce planning

## ■ Talent Acquisition 3/3

- Tackling the Problem
  - Have Workforce segments (talent segments and processes that define the end to end talent acquisition process)
  - Integration - processes must integrate with other talent management processes & programs.
  - Internal View - internal mobility and career management should be visible and actionable within the talent process
  - New tools are fundamental:
    - Applicant tracking
    - Social Networking
    - Assessment
    - W/Force planning tools
    - On-boarding portals
    - Job distribution and Job matching
    - General and niche job boards

## ■ Talent Acquisition Breakout

- The Future of Talent Acquisition
  - Talent networks
  - Job matching technology
  - Job Aggregators
  - Job Profiling sites
- There is a perception that traditional job boards are not finding quality candidates
- Who will be the eHarmony of recruitment ?
- Clients are asking “are you able to integrate with social networking sites”?

## ■ Talent Acquisition Breakout



- The Social Networking Buzz
  - Blogs
  - Microblogs
  - Video
  - Chat
  - Instant Messaging
  - Polling

## ■ Talent Acquisition Breakout

- 9 Reasons to Use Social Networking
  1. Improved employer branding (TIVO)
  2. Access a larger and more geographically dispersed talent pool (Deloitte)
  3. Attract Generation Y (Ernst & Young Facebook Page)
  4. Onboarding (McDonalds UK - Our Lounge; IBM - SecondLife)
  5. Employee Engagement
  6. Low Cost
  7. Building Relationships for the future
  8. Employee referral programs (Yello media)
  9. Alumni programs (Social Text specialise in this)

## Talent Acquisition Breakout



	Job Boards	Social Networking
COST	High cost	FREE
SEARCH	Solid search engines	Limited search Engines
NETWORK	Follow-up phone calls & emails	Less effort
TARGET AUDIENCE	Active Candiadtes	Active & Passive Candidates

## ■ Talent Acquisition Breakout

- Predictions
  - Demand for integration will continue to grow
  - Social networking will continue to grow
  - More consolidation
  - General job board traffic will continue to decrease
  - Increase in flexible workplace
  - New technology choices

## Talent Acquisition for Generation Y

