Failing to Learn:
Why Learning is Critical to
Strategic Talent Management

Failing to Learn

Introduction

Many organizations, regardless of size or industry, are turning to talent management technology solutions to achieve a significant business impact. According to Bersin & Associates research, companies with intermediate to advanced levels of talent management performed better financially during the recession as well as generated higher revenue per employee and lower overall voluntary turnover.[1] With this in mind, it is not surprising that organizations are turning to talent management and integrated suites of solutions.[2]

The irony is that most talent management solutions are missing the one critical component that will make that business impact a reality – learning. The 2008-2009 CedarCrestone HR Systems Survey shows that the learning management application in any combination with other talent management applications is linked to the strongest revenue growth. However, too many businesses make the mistake of selecting talent management solutions that offer few, if any, learning capabilities; or worse still, they try to "cobble together" various learning solutions with their other talent platforms.

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Failing to have learning management as an essential part of talent management is a critical misstep to avoid. However, many organizations don't understand how learning management can make the difference between an efficient tactical process and true strategic HR. In this paper, Cornerstone OnDemand will discuss five areas of talent management, demonstrate how the absence of a learning component can hold an organization back, and show how an organization can benefit from seamlessly integrating learning management into its talent management processes.

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[1] O'Leonard, Karen. 2009 Talent Management Factbook. Bersin & Associates, July 2009.
[2] Levensaler, Leighanne; and Laurano, Madeline. Talent Management Systems 2010, Bersin & Associates. September 2009.

Onboarding: Don't Throw New Hires Into the Deep End

It's common knowledge that the first year of employment is critical to employee retention. According to an Aberdeen Group study from January 2008, 86 percent of new hires decide within the first six months of employment whether or not to leave the company.[3]

As a result, many companies are automating the completion of typical forms and paperwork to make the entire process much less of a headache. Automatic routing of information and pre-populating forms with relevant new hire information creates a first impression with the onboarding employee that they have joined an efficient, smoothly functioning organization. It also reduces compliance risks from forms that are missing, incomplete or inaccurately filled out.

However, the real benefits of onboarding go well beyond processing paperwork. A strong learning component is essential to forging a lasting relationship with a new employee and speeding their time to competency and productivity with the organization. Without learning, a new hire's success with an organization becomes a much more "sink-or-swim" proposition. As Kevin Wheeler, a consultant and thought leader in human capital acquisition and development, points out, increasing speed to competence and productivity must be key features of any onboarding program. "Inexperienced employees, especially college hires, can have long learning curves that can be significantly shortened with good upfront education", he wrote.[4] Social learning initiatives that help employees quickly connect and collaborate in informal ways in the workplace can greatly facilitate development.

How learning can benefit onboarding: Integrating learning into onboarding programs can benefit an organization through:

- **Automating assignment of new hire curricula:** Automatically assign new hires to orientation curricula so knowledge and skills can begin development from Day 1.

- **Placing employees on forward-looking development plans:** Show employees that you have a vision for their future in the organization. Ensure that new hires are automatically enrolled in appropriate development and orientation programs based on hire date and ongoing performance and career aspirations.

- **Connecting new employees through learning and social learning programs:** Organizations can't just assume that employees will simply pick up the knowledge needed to be successful. They need to provide employees with the appropriate blended learning experiences to achieve their goals, whether it be through online learning, classroom learning, or social learning by connecting with peers.

[3] 2008 Onboarding Benchmark Report (Boston: Aberdeen Group), January 2008.
[4] Wheeler, Kevin. How the Best Onboarding Programs Work. ERE.net. October 3, 2008.
  http://www.ere.net/2008/10/03/how-the-best-onboarding-programs-work/

Performance Management: Don't Ignore the Middle

Within the past few years, the areas of enterprise learning and performance management have increasingly converged, driven by the need for development-driven performance management. Organizations have come to realize that they must tie learning programs to employee development and integrate the management of training with performance management.[5][6]

These findings come in the wake of the 2009 Bersin & Associates research that shows performance management and leadership development to be the top two talent priorities for the year, a focus driven in part by the need to persevere in a tough business climate. These two talent initiatives are intimately related, because effective performance management today is a prerequisite for developing tomorrow's

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leaders. However, some organizations believe that performance management only revolves around identifying the top and the bottom performers – which accounts for roughly 20 percent of your workforce. What do you do with the 80 percent of employees in the middle? Without integration with training and development to arm the broad middle of your workforce with the knowledge and skills needed, performance improvements for most employees will be limited.

While identifying high- and low-performing employees is a critical component of performance management, measuring for the sake of measuring doesn't allow you to fill leadership pipelines or to ensure employee satisfaction and retention. Integrating learning in a performance management process can help employees in the middle not only understand which areas they need to improve but also provide them with the tools to do so.

The integration of learning and performance management can develop underperformers, prepare high performers to be "ready" to fulfill key leadership positions, and address deficiencies of knowledge and skills. These long-term learning programs require competency analysis and complex blended learning activities.[7] The effort is worthwhile. CedarCrestone's 2008 report on the value of HR technologies highlights the automating of goal setting and development/training planning processes as a best practice for enabling employees to meet their performance objectives.

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[5] O'Leonard, Karen. 2009 Talent Management Factbook. Bersin & Associates, July 2009.

[6] Bersin, Josh. The LMS Market: Hotter than Ever. The Business of Talent blog, Bersin & Associates, October 25, 2009.
  http://blogs.bersin.com/Blog/post/The-LMS-Market--Hotter-than-Ever.aspx

[7] Bersin, Josh. Corporate Learning in 2008. CLOMedia.com. December 2007.
  http://www.clomedia.com/best-practices/josh-bersin/2007/December/2011/index.php

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How learning can benefit performance management: Integrating learning programs into performance management can benefit an organization through:

- **Developing employees for future job growth:** Training and development opportunities based on performance appraisal results should be available for all employees, and training plans must be tied to employee development plans and organizational goals. An integrated learning management system (LMS) allows an employee's development plan to prompt the system to automatically recommend relevant training based on competency gaps and development goals.

- **Tracking development progress:** Connecting development programs and performance management allows an organization to track and prove a measurable correlation between training and increased employee performance. When integrated with an LMS, it's easy to track and manage all aspects of learning, including planned, free-form, on-the-job, and external training.

- **Targeting training and objectives based on employee performance:** An LMS that supports performance management can deliver targeted training and development, ensuring that learning initiatives are not randomly assigned but actively address identified gaps with training, especially in critical areas where employees lack skills or knowledge.

Succession Management: Make Sure You Really Identify and Address Talent Gaps

Succession planning and career management have the potential to be powerful drivers of retention. Research indicates that organizations with a formalized succession management process have 50 percent lower turnover among high performing employees. In other words, employees who believe they are being groomed for future positions are more likely to stick around.[8]

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However, succession management shouldn't just be for senior executives and critical talent. The CedarCrestone 2009-2010 HR Systems Survey found that organizations that limited succession planning to top management or critical talent experienced the lowest sales growth, while those with succession initiatives that included middle management or all employees had higher sales growth.

Although succession plans for the entire organization can yield benefits, succession without learning and development is a futile exercise. Identifying the talent gaps in the workforce is not enough. To be sure that your successors will have the right skills at the time you need them, targeted training and learning initiatives must take place.

True succession management should map appropriate development paths years in advance of an anticipated talent gap and include a link to learning programs. Unfortunately, this is rarely the case. According to Bersin & Associates' report on High Impact Succession Management, only 12 percent of respondents said their companies' succession management programs are integrated with talent management programs such as performance management and employee development.

[8] O'Leonard, Karen. 2009 Talent Management Factbook. Bersin & Associates, July 2009.

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How learning can benefit succession management: Integrating learning programs into succession management can benefit an organization through:

- **Using development to address talent gaps for identified successors:** For your successors to be ready to take on their future roles, understanding the talent gaps is only the first step. Developing necessary skills may take some employees years to master and as a result should be an ongoing process. According to research from the talent management consultants at Knowledge Infusion, the top two drivers of talent management strategy today are current or imminent leadership gaps and the lack of desired knowledge and/or skills. Taking the right steps to address these areas must include learning at its core. As a best practice, you should help successors understand where their gaps exist, then link these gaps to necessary training and education.

- **Linking development to career paths:** Career paths can allow an employee to view potential paths for development within the organization by viewing related jobs based on their current job. An employee can view the job's description, responsibilities, requirements, associated competencies, and any identified readiness gaps. Ideally, development plans that are linked to learning should be dynamically generated in response. The system not only tells an employee what they need to be good at for a new role, but also how to get there.

- **Measuring the impact of development:** Talent pooling focuses succession planning on critical positions rather than management hierarchy. The organization identifies specific roles that are mission-critical to success, then operational or HR managers can identify employees who can fill those positions. For talent pools to truly benefit the organization, they need to be able to reflect immediately the skills that have been acquired. If succession and learning initiatives are not integrated and aligned, this measurement is impossible.

Compensation: It's Not All About the Money

Ideally, pay-for-performance allows your organization to reward the behaviors and outcomes that make your business successful. Pay-for-performance promotes ongoing goal achievement, competencies strategically mapped to roles and high levels of retention. However, not all of the rewards of pay-for-performance are monetary – and they shouldn't be.

Top performers need to be motivated with merit increases, bonuses and promotions, but development opportunities can also benefit the personal development of your best employees and the organization's long-term prospects. Also, average performers need opportunities to acquire the skills necessary to improve performance and increase compensation.

A pay-for-performance compensation strategy must be aligned and integrated with performance, succession and learning initiatives. To truly create a culture of performance, compensation should be integrated with competency assessments, goal achievements, development plans and key performance indicators (KPIs).

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How learning can benefit compensation: Integrating learning programs into compensation can benefit an organization through:

- **Striking a balance between development and compensation:** Financial rewards for immediate goal achievement shouldn't come at the expense of longer-term career and skills development. Both are vital to the long-term health of the organization.

- **Using development as a retention strategy:** In organizations where merit increases are hard to come by, development can be an alternative approach that can still reward a high performer and drive retention. Whether it is providing access to senior executives for one-on-one coaching or setting up high performing and high potential employees as mentors for others to share the secrets of their success, a number of non-monetary development opportunities exist that can benefit the organization.

Social Networking: Don't Hide the Knowledge in Your Organization

Whether your organization is ready or not, social networking is here. Use of social networks such as Facebook, LinkedIn and Twitter has become so pervasive that employees are eager to use similar technologies to facilitate communication and collaboration in their work lives.

Employees are quite comfortable going out and finding the knowledge they need, when they need it. However, without the proper platform, the knowledge in your organization is effectively hidden. Now, thanks to enterprise-class social networking tools, significant opportunities exist to bring this hidden knowledge out into the open and increase collaboration, improve performance and share knowledge across your organization through informal learning methods.

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Because 80 percent of what people actually learn in a job is informal and collaborative, it's critical to integrate a social networking solution with an LMS and other talent management initiatives.

How social networking can facilitate learning: Integrating learning programs into social networking can benefit an organization through:

- **Facilitating on-demand learning:** Creating communities of practice, rich user profiles, expertise location, tag clouds, rating/sharing content, knowledge management, blogs, wikis, podcasts and RSS feeds can allow employees to both create and find information they need, when they need it.

- **Connect professional network to talent profiles:** It's not just what you know, but who you know. Employees with extensive and effective professional networks can be just as important as employees with critical skills. Take steps to account for the value of these connections in performance management and succession initiatives.

- **Engaging alumni and retirees:** As the Baby Boom generation begins to retire, organizations must understand both the risk and the opportunity at hand. On the one hand, their retirement will lead to a brain drain and an experience gap. However, many of these retirees will welcome opportunities to continue to contribute their knowledge. Social networks are a great way to continue leveraging the expertise of retired employees for the ongoing benefit of the organization.

Best Practices for Integrating Learning and Talent Management

- **Break down the silos that prevent integration:** Learning and the various aspects of talent management are not mutually exclusive, and they can't be treated as such, even if these functions are siloed in different departments. Find ways to break down the barriers between these functions and develop integrated solutions.

- **Develop talent-driven training programs:** Savvy HR managers are building a holistic approach to the management of people – an approach that integrates performance management, succession management, and other talent initiatives with learning and development. This approach provides "talent-driven" learning programs that help employees build the necessary skills to meet current and future business needs.[9]

- **Look for an integrated talent management suite that includes a learning management system:** Bersin & Associates' 2009 research into high-impact learning organizations found that 45 percent of learning executives rated integration with talent management as one of their top training strategies.[10] Integrating the LMS with the rest of your talent management needs is essential, but few talent management vendors can provide this level of functionality. Choose carefully.

- **Do your due diligence:** Developing integrated learning and talent initiatives is a complex, multi-year process that requires extensive knowledge and expertise from the solution provider that you choose for a partner. When you look for a talent management solution that will integrate seamlessly with your LMS, look for a solution provider with a track record of success working with companies of your size and in your industry.[11]

[9] O'Leonard, Karen. 2009 Talent Management Factbook. Bersin & Associates, July 2009.
[10] Bersin, Josh. The Move to Talent Management. CLOMedia.com. February 2009.
   http://www.clomedia.com/best-practices/josh-bersin/2009/February/2527/index.php
[11] Bersin, Josh. The Fork in the Road. CLOMedia.com. August 2009.
   http://www.clomedia.com/best-practices/josh-bersin/2009/August/2699/index.php

Conclusion

To realize the full potential of talent management, an organization must do more than assess performance. The structure and tools must be in place to help employees learn new skills, collaborate effectively and acquire knowledge when and where they need it. Talent management technology with learning management integrated throughout has that potential. An organization can demonstrate a commitment, interest and investment in career development for employees and can be an important step in retaining, developing and engaging employees.

For companies striving to WIN by deeply integrating learning with talent management, Cornerstone OnDemand is the right solution. As the only complete suite of integrated talent management solutions with an LMS at its core, it goes far beyond what other vendors offer. For more information, visit www.cornerstoneondemand.com.

About Cornerstone OnDemand

Cornerstone OnDemand empowers people around the world with on-demand, integrated learning and talent management software and services for connecting, developing and performing in the workplace. Cornerstone's Software-as-a-Service (SaaS)-based solutions span the workforce lifecycle, including onboarding, learning, social networking, compliance, performance, compensation and succession planning. The company also provides extended enterprise solutions to help companies better train and collaborate with customers, vendors and resellers. Available in 16 languages and supported by global, 24x7 client care, Cornerstone is used by more than 3.1 million active subscribers in 141 countries. The company is headquartered in Santa Monica, California and has international offices in London, Paris, Munich and Tel Aviv.