Identify, Develop, and Retain the Best Talent with Career and Succession Management in the Cloud

ORACLE®

"Oracle Human Capital Management Cloud Service helped us create a centralized and highly efficient environment to manage and develop our employees, while improving our competencies and competitive advantage. It is also contributing to cost savings."

– Lakshman Manoharan, Director of IT, Brocade Communications Systems

Organizations everywhere are finding it harder to get—and keep—the right talent. Intensified competition and rapid shifts in business strategy can quickly create skills gaps. In addition, unrelenting technological advances have fundamentally transformed the way business operates. Changes such as these are driving employers to seek better ways to manage their employees.

A flexible and comprehensive career and succession management solution can deliver visibility into your entire workforce. Taking advantage of the rich information available in centralized talent profiles allows you to understand and develop the talent you have, as well as anticipate talent needs. With embedded decision support, it's easy to act on insight quickly—for example, by identifying and addressing talent-related risks or finding top talent to work on critical projects. Even in a fast-moving environment, you can maintain the talent your organization needs in order to thrive—you simply need the right tools.

"At the Principal, we are very good financial managers, and we want to provide that same level of holistic management with our human capital as well. [Oracle Talent Management Cloud] really provides the business intelligence we need to connect the dots when it comes to talent, so we can drive the bottom line by increasing our performance overall."

Kathleen Souhrada, Vice President, Human Resources, Principal Financial Group

FACT: Leadership is the top priority in developed and growing economies. Human capital priorities vary by industry, with one exception: leadership.

Deloitte Consulting and Bersin by Deloitte, "Global Human Capital Trends 2014: Engaging the 21st-Century Workforce," 2014

FACT: 63 percent of CEOs named "availability of key skills" as a serious threat to their organization's growth prospects.

PwC, "17th Annual Global CEO Survey," 2014

TAKE YOUR HR TO THE CLOUD

Fast-changing businesses demand agility. And cloud solutions improve agility by giving you quick access to the applications you need and the flexibility to implement features at your pace. Cloud implementation offers instant value and productivity through functionally rich services that are standards-based and can be delivered without compromise to business practices or policies.
You gain peace of mind with a modern cloud that is

» Personalized—the benefits of software as a service (SaaS) such as speed, simplicity, and lower costs, with the added ability to tailor applications to your unique business requirements

» Connected—seamless integration across the cloud, on premises, and with third-party applications

» Secure—top-to-bottom security, with data access based on the user's role and location

Quickly Identify and Advance Top Talent

Skills gaps are getting more complex, especially when viewed from a global perspective. Factors that affect talent shortages such as unemployment rates, the types of skills available, ease of filling positions, and workforce demographics typically vary between global regions. According to a recent worldwide study by Manpower Group, "The most likely response of employers to alleviate talent shortages is to train and develop existing staff to meet their needs. Employers also report that their organizations are further increasing their focus on the talent pipeline and seeking to source talent outside established talent pools."[1] These employer responses point to the need for robust talent review, succession management, and career development processes.

Talent reviews that can be used to analyze your entire workforce are a critical part of talent management. They help you optimize your workforce and ensure that you have employees with the skills needed to reach your organization's strategic goals. Additionally, they provide the necessary input for succession management and career development programs. But you won't gain the full advantage of these processes if they are too difficult to use. Typically, they are largely manual, very labor-intensive, and not integrated with other talent and HR systems. It's not surprising that improving career and succession management is often a high priority for HR and the overall business.

A career and succession management solution in the cloud can help you manage a global workforce without the added costs for increased infrastructure and resources. Moreover, a fully integrated system can provide executives and HR professionals with automated processes they can use to assess talent, evaluate macro-organizational trends, identify and mitigate talent risk, develop a leadership pipeline, and facilitate the development of custom career plans.

The key to making these processes work together is a centralized talent profile that provides a rich, shared datasource about employees. Comprehensive talent profiles may include information about competencies, qualifications, certifications, and performance ratings. They also include data entered by managers and employees, such as training and development programs completed or in progress, as well as current and future career aspirations. Having this wealth of information in one place facilitates a very robust conversation about talent, streamlines operations, and helps managers make the right talent decisions.

[1] *Manpower Group, 2013 Talent Shortage Survey Research Results, 2013.*

FACT: Using existing methods, organizations will likely fail to identify 65 percent of their new high performers.

CEB, "Breakthrough Performance in the New Work Environment: Identifying and Enabling the New High Performer," 2013

The availability of talent is a critical factor in the success of both short- and long-range strategic plans. A comprehensive talent management system that automates the following processes can help ensure that you have the right talent in place to meet the demands of any business goal:

• **Talent Review.** Assess all aspects of your talent using an interactive matrix and 9-box performance-to-potential scale. Easily identify top talent and those at high risk of attrition.

• **Succession Management.** Identify successors and build talent pools for key roles. Ensure that your best talent is in line for future leadership and critical positions.

• **Career Development.** Create high-impact employee development plans that are aligned with organizational needs. Gain a more engaged workforce and increase productivity by keeping employees' career paths on track.

TECHNOLOGY DELIVERS END-TO-END TALENT MANAGEMENT

A fully integrated approach to career and succession management helps you identify and develop candidates for increasingly demanding leadership positions. A cloud-based solution that supports automated procedures makes it easy to take your talent discussions to the next level. Features to look for include

» Intuitive user interface with customizable dashboards—A simple user interface delivers a 360-degree view of employee information such as succession plan and talent pool membership. Rich visualizations and technologies facilitate screen customization and data editing using drag-and-drop actions.

» Predictive analytics and online modeling tools—Use "what if" modeling to visually play out scenarios within your organization and ascertain their effects. For example, you can change an employee's title or salary and see how those changes might affect the attrition risk for the employee and the rest of the team.

» Actionable insight—An actionable framework can include integrated links back to areas such as performance, development, and compensation, which allows managers to take immediate action to positively influence employee and organizational behaviors.

» Role-based secure access—Control access to sensitive talent information with granular, role-based security. Each user's security profile determines what information can be viewed.

"With Oracle Human Capital Management Cloud, CWT will have one single source of truth for employee data, which will simplify our global HCM processes significantly. This will increase our HR agility and enable HR to have a more strategic impact on our business. The user experience within Oracle HCM Cloud is of the highest standard and it will help simplify the usage of the HR solutions for our employees and managers, therefore enabling a high usage of the solutions, which is a critical part of our HR transformation."

Jean Luc Duchemin, Executive Vice President, Global HR, CWT

FACT: Nearly two in three respondents are experiencing problems attracting top performers (65 percent) and high-potential employees (64 percent), an increase from two years ago. Additionally, more than half report difficulty retaining high-potential employees (56 percent) and top performers (54 percent).

Towers Watson, "2014 Global Talent Management and Rewards Study—At a Glance," 2014

HIGH POTENTIALS ARE A CRITICAL INVESTMENT

Time, budget, and energy are needed to make the right talent investments according to Eric Hanson, PhD, executive consultant, DDI. He suggests five best practices to effectively identify high potentials.[2]

» Don't shortchange high-potential nominations and evaluations. Make certain senior managers have clear directions, accurate definitions, and standardized ratings.

» Narrow your pool before you start rating. Keep the evaluation process focused on only those who deserve in-depth consideration.

» Define potential consistently. Replace loose, intuitive definitions with standard, research-based factors that are predictive of future potential.

» Separate potential from performance from readiness. New challenges await high potentials, so it is critical to differentiate and thoroughly evaluate potential and readiness.

» Involve managers in the process from the start. Communication is vital to attain buy-in, set expectations, and establish processes.

Ensure That the Right Talent Is in the Right Place— Now and in the Future

Employees identified as the most likely to be able to grow in their abilities and take on increasingly advanced leadership roles are often called "high potentials." This group is very important to the future success of your organization. However, an improving economy means that these talented employees have more power in the market and may be at greater risk of leaving than just a few years ago. Talent shortages in general have a significant impact on an organization. A Manpower Group global survey of more than 37,000 employers found that 54 percent reported that talent shortages affect their client-facing abilities to a high or medium degree. In addition, 40 percent associated talent shortages with reduced competitiveness and productivity.[3]

The first step in determining a talent strategy is assessing whether your talent can support your business goals. Asking the right questions is critical. An automated, integrated talent review solution in the cloud makes it much easier to look at entire groups of leaders and compare and contrast their performance and development. Insight capabilities embedded throughout the process provide visibility into talent pools to help you create a rich pipeline of talent to fill gaps. Once you have this insight, you can then determine what needs to happen to fully align your talent and leaders to the business.

When talent reviews and related processes are made a regular part of overall HR operations, you can better identify high potential talent and those at high risk of attrition. In fact, talent reviews can increase your understanding of all your employees, not only high potentials. This makes it easier to promote and develop talent internally and reduce reactive hiring practices, which can be costly and ineffective. If you recognize and reward the skills, potential, and ambitions of your employees, you will likely increase employee engagement and improve workplace morale.

[2] Eric Hanson, PhD, "Five Best Practices of Identifying Potential Leaders," Development Dimensions International, 2013, oracle.com/us/products/applications/talent-mgmt-potenital-leaders-2095829.pdf

[3] Manpower Group, "The Talent Shortage Continues: How the Ever Changing Role of HR Can Bridge the Gap," 2014.

FACT: Just six months after the implementation of Oracle's performance management and talent review solutions, Kalpataru had improved user engagement with their HR platform from less than 50 percent to more than 90 percent.

Bavneesh Gulati, Senior Vice President, Human Resources, Kalpataru

Even though talent reviews have great strategic value, the process is typically highly manual and time-consuming. Line managers' evaluation of their employees is critical to a talent review, but these managers have many competing priorities and may not be proficient in the use of HR systems. With an integrated talent review solution, you can offer them access to an interactive dashboard that lets them easily review and calibrate their team prior to the talent review meeting. Talent reviews and the resulting career decisions are too important to your organization's success to get wrong. An integrated talent review solution delivers many benefits that can help you make the right decisions.

Automate the Process from Start to Finish

An automated process helps you rapidly define meeting details, choose content to be reviewed, identify talent to be assessed, invite meeting participants, and track review-data submission. The talent review dashboard displays the interactive performance-to-potential grid and lets you easily select and display various populations and calculated values. Create and work with succession plans and talent pools directly from the talent review dashboard or organization chart, as well as assign tasks during the talent review meeting.

Identify and Mitigate Talent-Related Risks

Assess talent risk by selecting and mapping talent to the performance-to-potential grid based on criteria such as team, job, and location. For example, selecting both risk of loss and impact of loss quickly shows you where you have significant risk on the team. Use predictive analytics to define the risk factors around high performers and "what if" modeling to determine what actions you can take to lower their risk of leaving, in addition to the impact these actions would have on other team members.

Deploy Your Top Talent on Strategic Initiatives

Using an interactive talent review dashboard, you can search and compare talent across your organization to get a complete picture of your talent landscape. Drilling into more detail shows you a comprehensive view of each employee. Once you identify the right person for the project, you can assign a goal to them that helps meet a key initiative.

Measure Development Success

After discussing an employee in detail, you can add notes or performance and development goals. At any point during the talent review meeting, you can assign a task that can then be tracked to ensure long-term accountability. A "show progress" feature of the dashboard offers a view of how an employee's assessments have changed over time by displaying progress in a positive or negative direction from one talent review cycle to the next.

"Thanks to Oracle Human Capital Management Cloud, we gained anytime, anywhere access to integrated employee data, enabling us to create more effective performance management and identify top talent to support future growth. We've gained recruitment analytics, have simplified performance management and talent review processes, and reduced IT costs."

Bavneesh Gulati, Senior Vice President, Human Resources, Kalpataru

"Drivestream is a professional services firm. Our people are our product. We needed a global HR system to move away from a paper-based process and provide the best-possible career path for our people. With Oracle Human Capital Management Cloud performance management, everything is in the cloud. Now our performance management process makes our employees feel more empowered and more in charge of their careers, and it allows the company to continue to attract and retain world-class talent."

Jason Lindenberg, CIO, Drivestream

Ensure That Top Talent Is Ready for Key Roles

Identifying and developing the next generation of leaders is a big concern for most organizations. A report by Deloitte notes that building global leadership is the most critical issue, with 38 percent of respondents rating it "urgent." It also states, "Companies see the need for leadership at all levels, in all geographies, and across all functional areas. This continuous need for new and better leaders has accelerated."[4]

Succession planning is an ongoing process for responding to change, so that operations go on with as little disruption as possible. With an integrated career and succession management solution, the succession process becomes a seamless part of the talent review discussion. A robust succession planning solution helps you

• Ensure that your best talent is in line for future leadership and critical roles

• Mitigate the risk of future talent shortages

• Retain and develop critical knowledge capital

Having the right information visually presented on an interactive dashboard makes it easier for executives and line managers to perform thorough succession planning.

Create Succession Plans the Way You Need Them
While you may have very specific individuals for whom you want to create incumbent-based plans, you may also need the flexibility to create several types of succession plans to cover all contingencies—for example, position-based plans that you can further refine based on factors such as job grade, business unit, or department.

Build Talent Pools and Assign Development Goals
Align key resources where the greatest business opportunities exist, through the use of talent pools composed of individuals with similar skills, goals, and experiences. This gives you increased flexibility and choice when you need to fill a critical position. Tying development goals to talent pools helps to ensure that your talent is given the necessary training, experience, and preparation for taking on new opportunities.

Visualize the Strength of Your Succession Plans
A graphical view of a succession plan can help you see the number of candidates available in each readiness category, view candidates according to their readiness, and search for succession plan and talent pool candidates based on skills and experiences. You can quickly identify plans that are at risk and take action to correct deficiencies.

[4] Deloitte Consulting and Bersin by Deloitte, "Global Human Capital Trends 2014: Engaging the 21st-Century Workforce," 2014.

FACT: US spending on corporate training grew by 15 percent last year (the highest growth rate in seven years) to more than US$70 billion in the US and more than US$130 billion worldwide.

Josh Bersin, "Spending on Corporate Training Soars: Employee Capabilities Now a Priority," Forbes.com (blog), February 4, 2014

Engage and Develop Your Talent

As business models change, the characteristics needed to be successful evolve. Career development programs must also be kept up to date to remain effective. If you don't provide employees a way to see growth opportunities or you offer limited ability to advance, the result can be reduced employee engagement and productivity. Moreover, your organization might not have the talent needed to capitalize on business opportunities due to unrecognized or hard-to-fill skills gaps. A system that supports the creation of high-impact development plans and career paths that are aligned with organizational needs can address these problems.

Career development programs can have a real effect on your organization's bottom line. High-performing companies are up to 2.7 times more likely to provide development programs for emerging talent as well as high potentials according to Boston Consulting Group.[5] This performance boost is one reason companies are devoting more time and money to career development.

You get better outcomes from resources spent on career development programs when they are tightly tied to other HR processes such as talent review and succession management. With an integrated career and succession management solution, you can

• Empower employees by allowing them to explore various careers and learn what opportunities are available to them within the enterprise

• Keep employee career plans on track with detailed insights into how current competencies fit with requirements for desired future job opportunities

• Create high-impact development plans, enabling managers to provide guidance and deliver constructive feedback on development activities

Career development discussions are a perfect opportunity to let employees know what they have to do to reach their goals and what future opportunities are open to them. This can make them feel more valued—increasing their productivity and their engagement with the company.

EMPLOYEES VALUE CAREER ADVANCEMENT OPPORTUNITIES

While employers report that career opportunities are improving, according to a global study by Towers Watson, employees don't all agree with that assessment. Almost 40 percent of employees who have been identified by their company as high-potential report that they would have to leave their organization to advance.[6] Why the mismatch?

» Career architecture and career paths are poorly defined.

» Technology is not effectively used for career management.

» Managers are ill-equipped to handle key aspects of career management.

» Most organizations don't know if their career management programs are working.

Given the low marks employees give their companies on career advancement opportunities— a top driver of both attraction and retention—employers should redouble their efforts to deliver an effective career management program.

[5] Rainer Strack, Jean-Michel Caye, Carsten von der Linden, Horacio Quiros, and Pieter Haen, "From Capability to Profitability—Realizing the Value of People Management," Boston Consulting Group, August, 2, 2012.

[6] Towers Watson, "2014 Global Talent Management and Rewards Study—At a Glance," 2014.

FACT: Worldwide, 36 percent of more than 37,000 employers surveyed report that they are experiencing difficulty filling jobs due to lack of available talent. This represents the highest proportion of employers expressing concern about talent shortages since 2007.

Manpower Group, "The Talent Shortage Continues: How the Ever Changing Role of HR Can Bridge the Gap," 2014

"We looked at many SaaS HCM offerings and felt that Oracle HCM Cloud Service was the best one to help us further our goal of being a high-performance organization. We're very excited about the potential for Toshiba Medical Solutions to provide better development opportunities for our managers and employees."

Pim Vogel, Senior Manager HR Europe, Toshiba Medical Systems Europe

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To learn more, please call **+1.800.ORACLE1** to speak to an Oracle representative or visit **oracle.com/hcm**. Outside North America, visit oracle.com/corporate/contact/global.html to find the phone number for your local Oracle office.

Optimize Your Organization's Talent

To develop effective leaders and manage the talent supply chain, "organizations must formalize their leadership development process and ensure that their leadership program's goals are aligned with their business strategy," according to a Towers Watson report.[7]

Does your organization have the human resources capabilities—the systems, applications, cloud services, and internal processes—to find, retain, and develop leaders?

Oracle Human Capital Management Cloud (Oracle HCM Cloud) delivers the career and succession management solutions you need in order to keep the talent pipeline full—know your talent, create and implement succession plans, and develop the leadership abilities of high-potential employees. The solutions provide an automated, dashboard-driven method for conducting talent reviews, creating succession plans and internal talent pools, and formulating high-impact development plans and career paths that are aligned with organizational needs. Talent profiles are the foundation that supports all talent management processes.

Oracle HCM Cloud was built specifically to exploit the new innovations and features that businesspeople now take for granted. Unlike other cloud-based HCM applications, it is fully configurable to reflect the employee's job role, personal work style, and daily tasks. What's more, it has full support for mobile access from a range of smartphones, tablets, and PCs, and includes a secure, private social network that enables everyone in the organization to work together.

Oracle HCM Cloud's career and succession management solutions help you

• Examine your entire global workforce to ensure that the best talent is ready for future leadership and critical roles
• Make it easy for employees to find internal opportunities and work with their managers to build a plan for their growth
• Identify successors for key roles so that business is not disrupted

Capabilities such as these promote a more-engaged workforce—driving increased employee productivity and better employee retention. In addition, they allow you to be proactive in identifying and closing skills gaps, so that you can always have the right talent in place for achieving business goals.

[7] *Towers Watson, "2014 Global Talent Management and Rewards Study—At a Glance," 2014.*

"Oracle Human Capital Management Cloud provides a flexible and scalable talent management platform to improve human resources operations efficiency and support our business growth. We also deployed the platform three times faster than we could with the conventional implementation method and at a significantly lower initial investment cost."

– Yao Li, Founder, Beijing CAJ Senior Care Services

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