

# Five steps to turning the talent management tide

Putting the right processes and tools in place can lead to greater employee retention and productivity.

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Workforce management issues have been a serious concern among oil and gas companies for some time. If not addressed, these issues potentially could have a negative impact on a company's performance and growth.

First, there is the "big crew change." Thousands of baby boomers are becoming newly eligible for retirement on a daily basis. With a significant age gap between these older, skilled workers and the younger set – which on average fall between 24 and 35 years old – there is concern as to how best to capture and share boomers' valuable knowledge before they leave the company.

There also is a "nuclear war" for skilled workers. Demand for people at all levels, particularly engineers, far exceeds the supply. As a result, companies are fighting to recruit top employees from competing firms – and struggling to retain their best people. Combine this "talent void" with other human-capital management issues, such as succession management, leadership development, and globalization, and what might seem like a few organizational challenges can spiral into a bigger business issue.

There are five key steps oil and gas companies can take to turn their human resources (HR) strategies into a competitive advantage.

## A holistic approach to talent management

When talent-management strategies for learning and development, employee performance management, and succession planning are integrated – and supported by the right technology solution – compa-

nies can get a clearer picture of their workforce. This kind of intelligence allows HR to make smarter decisions about their talent and more quickly respond to changing business needs.

For oil and gas companies, there is real value in the ability to identify high performers and future leaders to track and evaluate employee performance and isolate and address skill gaps with targeted training as well as to ensure that the right people are in the right roles and at the right time – all within a centralized system. Even better, data collected in the system now can be tracked and reported.

Competency	Rating	Target	Difference
Achieving Results	4.6	4.5	0.1
Building Strategic Working Relationships	3.0	4	-0.2
Business Acumen	4.3	4	0.3
Customer Focus	4.7	4.5	0.2

Individualized career path pages help employees track their progress and improve their skills. (Images courtesy of Cornerstone OnDemand)

Other benefits, such as organizational efficiencies and automation of key processes, mean HR leaders can spend less time mired in paperwork and tactics and more time developing strategies that can support current and future business needs.

A holistic approach to people management can have a positive impact on the bottom line. According to analyst firm Bersin & Associates, companies with intermediate to advanced levels of talent management performed better financially during the recession and were able to generate higher employee performance and lower overall voluntary turnover.

### Transition to a development-driven performance management culture

The ultimate goal for any company is to raise people's performance levels and achieve better business results. But simply identifying areas where an employee needs to improve is not enough. Employees must be able to access the tools they need for increased knowledge and improved skills.

Incorporating learning as part of the performance

management process provides managers with the tools needed to develop high-quality learning plans that prepare high performers for leadership positions or address competencies required for specific roles. This "coaching and development" style of performance management can result in increased productivity, higher employee engagement, and improved retention.

The ability to manage performance can be challenging when it comes to roles where employee performance is best monitored in real time. Some talent management solutions offer a "performance observation checklist" feature that allows companies to assess and record an employee's skills and competencies while directly observing activities in the field. Automating what once was an inefficient, paper-based process makes it easier to track and validate proficiencies or regulatory compliance with critical safety procedures. When this capability is integrated with learning tools, managers automatically can assign training when additional support is needed. Capturing and tracking this information in a centralized system also helps HR leaders ensure regulatory reporting is accurate and timely.

**Companies that overcome negative attitudes about social networking sites are discovering that an in-house site can encourage greater communication, cooperation, and cross-discipline learning.**

### Find the perfect learning blend

Changing demographics have increased the need for learning management – particularly technical training and leadership development. The most effective way of delivering consistent, cost-friendly training to global, geographically dispersed workforces is through blended learning – the combination of in-classroom training with e-learning, virtual classrooms, and mobile learning options. This allows learning initiatives to be aligned more closely to the needs of busy employees, who now have more options for accessing self-service training anytime, anywhere.

A successful blended learning strategy requires thoughtful planning, engaging content, and a robust user-friendly learning management system. Some

programs fail because they do not meet the actual learning needs of employees or because they fail to take the company's learning culture into account. Programs must be developed based on what, how, why, and when employees need to learn. This approach also requires employees to become more engaged and take more responsibility for their own training and development.

### Rewrite the rules of succession planning

Smart companies are moving away from succession management as a top-down process that focuses on only a few key executives. Rather, they are expanding succession planning deeper into the ranks of the company and directly engaging employees in career management.

Technology can facilitate this collaboration between managers and employees in a way that supports both the needs of the business (bench strength and talent mobility) and the needs of the individual (professional growth and career path).

New to the succession mix, online career-management tools empower employees to take ownership of their careers within a company, helping to improve engagement and retention. With these tools, employees can create an online profile to market their skills, competencies, and career preferences – such as the willingness to relocate, specific geographical preferences, and long-term career goals. For HR, this also provides a searchable database for internal recruiting.

When succession processes are integrated with learning management, HR leaders can allocate targeted leadership courses for employees in the succession pipeline and can seamlessly assign training to employees to close readiness gaps and align career paths with reviews and goals.

### Get social

Most companies are not sure how to get started with social networking and collaboration tools, and they will not allocate resources toward implementing these technologies until the benefits are clear. There also is a misperception of these tools being more for entertainment

than for business purposes, resulting in lost productivity.

Social technologies can help to increase productivity and drive innovation by connecting employees with the right knowledge and people across a company. The easiest way to introduce these tools is to start small and focus on wrapping social technologies around two areas.

**Existing learning and development programs:** It has been observed that while 80% of training budgets are spent on formal learning programs, 80% of what people actually learn is informal, whether it is overheard at the water cooler, passed down by a mentor, or shared in an email. Building an online community around an existing training course helps to centralize and capture this informal learning experience. Participants have a way to

connect with one another before, during, and after the course to find commonalities and share knowledge. Employees are better able to connect with their mentors and foster a richer relationship.

**Employee alumni networks:** Aging workers leaving the workforce possess large amounts of institutional knowledge that is difficult or impossible to capture and share. Alumni networks provide a social channel to engage retirees so the business can continue to benefit from

their expertise even after they are no longer employed, easing the brain drain.

Shifting to a more strategic, integrated talent-management strategy takes time. It is wise to roll different HR initiatives out in phases and by geographical location. Since field-based employees might not have a culture of remote or self-service learning or performance management, change-management initiatives are needed to persuade those employees to access and use these tools.

Companies also should choose a technology solution that is flexible, scalable, and configurable enough to support business needs; that can be implemented quickly and easily; and that does not require additional IT resources or constant version upgrades. But a technology solution is only as good as the strategy it supports. HR leaders must ensure talent processes are in line with business needs and that they make sense for the company as a whole. **ESF**

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