



Managing talent in the cloud

Jason Corsello examines whether cloud computing is heralding a new era for learning and talent management or whether it is all just a lot of hot air

The last century saw the world move from the industrial age to a knowledge economy. Technology was a huge factor in that change, helping to drive globalisation by connecting, and accelerating the pace in, fast-moving markets. Equally, the rise of the knowledge economy increased the need for on-going training and technology-enabled solutions to help businesses remain competitive.

One of the latest buzz words is 'the cloud'. There are different types of cloud applications and services to suit different needs – for consumers and businesses. In this context, organisations need

to consider the provision of enterprise solutions in the cloud.

Traditionally, standalone applications (if any) were used to facilitate talent management – to support recruitment, performance management, L&D, and career and succession planning. The applications and related data were stored on the user's personal computer or on corporate network servers. With cloud computing, the application and related data do not physically reside on the corporate network; instead, they sit in 'the cloud', hosted on the application provider's network and servers. The user simply gets access to the service, in real time, from his desktop – viewing on screen the interface, functionality and data that

correspond to his particular level of password-protected access and security.

Corporates are turning to the cloud because it can be used to deliver enhanced functionality, updated on a more frequent basis and in a cost-effective way. With traditional software, developers have to bear in mind that their customers will be using different hardware, so there can be gaps in upgrades or new functionality until the majority of customers migrate to new technology standards. Even then, many solutions can be complex to upgrade because they have been tailored specifically to the organisation's needs. This need to buy and maintain hardware, to customise or provide in-house IT support, all adds to the overall cost.

However, the credit crunch has accelerated the corporate need to do more with less; it has never been more critical to ensure that talent is maximised in order to optimise corporate performance and gain or maintain competitive advantage. Yet even now, many organisations lack technology solutions to support learning and talent management initiatives or lack integration between the talent management applications they do have. For many, it is simply too costly and logistically complex to implement a new, integrated talent system using traditional software. This is where the benefits of cloud computing offer organisations a more cost-efficient and simple way of replacing or introducing an integrated suite of talent management applications.

A true cloud application has one single platform, with one continuous version of the software, supporting all customers. Only this approach ensures that the application provider's investment is focused on driving constant value and innovation out of the application, to deliver the best results for customers and users. The technology itself is more dynamic and flexible in meeting customers' talent management needs than traditional software, because it is more configurable and processes and structures can be changed on the fly. What's more, the application provider's investment in innovation delivers more frequent upgrades that respond to customers' continuously-evolving business needs. Ultimately, as organisations change, the software evolves with them.

Case for an integrated talent management platform

There is a strong business case for implementing a comprehensive, integrated learning and talent management solution. A report from Bersin & Associates in 2010 found that organisations in the

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US with a mature, integrated talent management strategy enjoyed 17 per cent lower voluntary turnover, 26 per cent higher revenue-per-employee and better business stability¹.

However, the report also noted that technology is a key enabler for success; organisations struggle to deliver an effective talent management strategy without the support of an integrated technology platform. This realisation is driving global demand for integrated platforms among organisations while, at the same time, providers are realising the potential of adopting cloud computing. Innovative providers have already started moving talent management technology solutions into the cloud, and the most savvy are realising that this will have a wider impact than just moving the location of a piece of software; it could help reduce current barriers to the implementation of an effective, organisation-wide talent management strategy.

Traditionally, common barriers to effective talent management have included four elements:

- **siloed talent management initiatives** In most organisations, processes for learning management, performance management, succession planning and other talent initiatives have been separated, managed and owned by different parts of the organisation. Therefore, each process isn't necessarily informed by the other
- **limited application of talent management** Activity has been rooted in traditional management thinking – focused on developing the talent of senior executives and other high-flyers, and also perhaps addressing the weaknesses of the worst-performing employees, rather than maximising the talent of all employees
- **lack of quality HR information** The information driving talent management activity has not been generated and utilised in a timely way, and applications to support talent management have not been integrated with other HR management information systems, so talent decisions are based on incomplete or inaccurate information
- **lack of flexible, robust talent management technology platform** It was prohibitively

Reference

1 Bersin & Associates *Talent Management Factbook 2010: Best Practices and Benchmarks in US Talent Management* (2010) <http://www.bersin.com/Practice/Detail.aspx?id=12722&p=Talent-Management>



expensive and complex to roll out and maintain new applications to support talent management, particularly if existing HR systems were heavily customised and based on legacy technology.

In each case, the adoption of an integrated talent management platform – based in the cloud – can help the organisation overcome these problems. For example, IT departments can be unsupportive of organisation-wide talent management applications because of the perceived costs and effort of replacing existing legacy HR systems, as well as implementing and supporting a new platform.

With a cloud-based learning and talent management solution, the applications and data reside on hardware that is owned, maintained and supported by the solution provider, so there are no specific in-house hardware, software or support costs. What's more, any number of permissioned users can use the system, enabling HR and L&D professionals, employees and line managers to use the applications according to their particular needs. This removes long-standing barriers to effective talent management: if there is the will to introduce an organisation-wide talent management system, it is easy and cost-effective to do so.

Delivering 'real-time HR'

Organisation-wide access to a suite of 'always on' talent management applications has the potential to revolutionise traditional HR processes – such

as setting objectives, agreeing development goals, reviewing progress, discussing career aspirations and planning succession initiatives. If every employee can update the system with new information as it is generated (for example, by a line manager conducting a performance review via the system) or get access to that information as soon as it has been generated (for example, by an HR professional running an automated report), perceptions of those events can change. Instead of being one-time events or annualised cycles that employees and managers dread, they become part of normal business life – living, breathing, on-going processes. This helps HR professionals move towards providing 'real-time HR'.

The ability to input information directly – at any time – can help HR professionals, employees and line managers reduce the errors and discrepancies that tend to creep in when processes associated with talent management are manual, duplicated or delayed (say, when line managers fill out forms that are then sent to HR for input). In addition, that information is immediately available to be shared and used, so real-time HR delivers much more accurate and timely management information that can improve and strengthen the decision-making process.

This enhanced level of insight enables the organisation to become more nimble and effective in deploying, managing and developing its talent. It becomes easier to zero in on where the talent pipeline needs to be developed – ensuring the right people have the right development

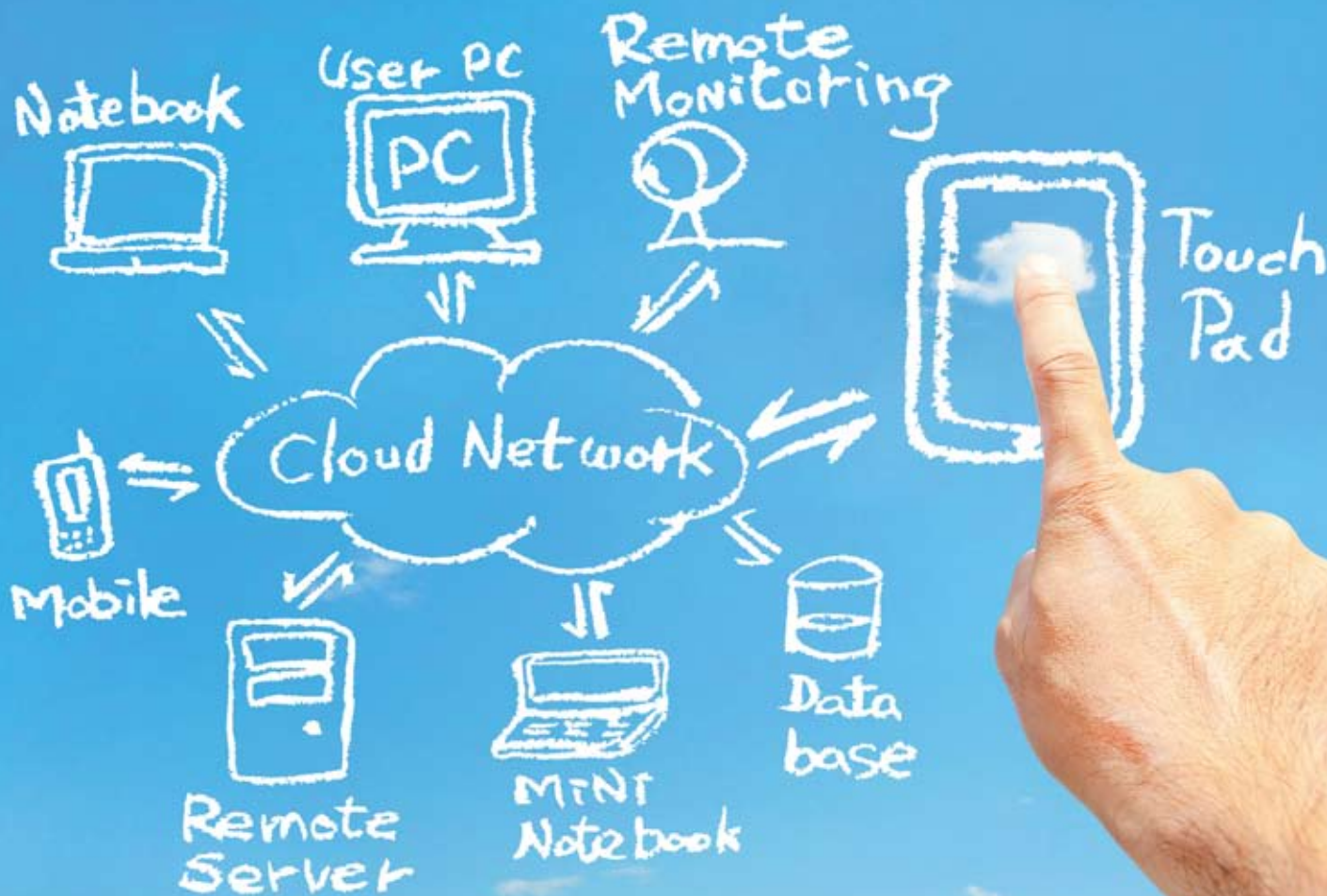
Secure talent data in the cloud

One of the most common misconceptions about cloud computing is that it is less secure than hosting applications and data on an organisation's own internal network. Some people feel that third party hosting involves 'giving' sensitive data to a third party, when actually the organisation still retains ownership of the information. In addition, there are obvious sensitivities and legal responsibilities in terms of data privacy when it comes to storing and sharing employees' personal data.

In the US, the Patriot Act specifically addresses the issues of where data resides (particularly in the case of multinational organisations), who has access to it and what data may be accessed by the US government. Information about training and development strategies and details of high-performing employees also could be of use to competitors, so it is understandable that HR and L&D professionals would want to know their organisation's data is well protected. However, data stored in the cloud actually may be more secure than if it is stored on your internal network.

The key issue is where the data is being hosted and by whom. Cloud solutions that are open to the general public may not be particularly secure if the providers' USP is price point and accessibility rather than security. However, enterprise cloud software providers should take a much more robust approach, as that is what corporate clients will demand. The most professional software providers will consider the security and performance of the solution, data and infrastructure as the core of their business – it's how they do their job.

Similarly, organisations should always carry out their own due diligence to ensure data privacy and security before signing up with a solution provider. The software vendor should be able to prove that they are working to the latest standards in security and have certifications for the infrastructure itself, in addition to application performance. If the application provider is not able to answer those questions in a satisfactory way, the organisation may be taking a huge and unnecessary risk.



opportunities to meet the organisation's current and future needs. It also helps HR compare internal and external talent, reducing the need to recruit externally and providing internal opportunities for career development that help retain and motivate talented people.

HR professionals can use an organisation-wide talent management platform to engage line managers and employees, demonstrating that their active participation can help empower them and make it easier for them to manage their own needs, careers and responsibilities. For example, an employee can get more insight into his own training and development needs and opportunities, as well as the career paths open to him within the organisation – all of which empowers him to take more responsibility for his own career development.

For line managers, it can help create efficiencies and save time, thanks to the convenience and ease of being able to input, access and track information, run reports or approve training request permissions through one central system.

And for the entire organisation, the use of social networking and collaboration tools – which are part of some integrated talent systems – can easily encourage and enable the sharing of knowledge and opinions across teams, departments and geographical locations. This level of social engagement can engender a greater sense of company loyalty and job satisfaction, and it also

can help HR professionals and line managers identify high potential individuals or other employees who play a vital role within the company.

As processes become more transparent and integrate a greater degree of continuous feedback from employees and line managers, this engenders greater confidence, understanding and trust between HR, management and employees and what each party is trying to achieve.

Grasp the opportunity for change

There is nothing to fear from cloud computing, as long as the organisation selects the right solution and the right solution provider to meet its needs in a secure and robust manner. Cloud computing can help address key issues of accessibility, affordability, timeliness, ease of use and integration that have traditionally been barriers to talent management. It can help change HR processes to create a continuous, virtuous cycle of planning, review and development.

Moreover, it offers a technological solution that can change organically in step with the organisation's own changing needs. Adopting a cloud-based approach to learning and talent management can deliver massive benefits to individual employees, whose career aspirations can be better met; HR professionals, whose effectiveness can be increased; and the organisation, where performance is enhanced. **TJ**

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