Building the Borderless and Agile Workplace

*Bersin & Associates Predictions for 2012*

Josh Bersin
President and CEO, January, 2012
Bersin & Associates

- **Who We Are**
  - Bersin & Associates is the leading global provider of best-practices, trends, and benchmarking research in talent management, learning, and strategic HR.
  - 60% of the Fortune 100 are Bersin & Associates research members, with more than 17.5 million employees managed by HR teams using Bersin Research.

- **Broad Research Practices**
  - Human Resources
  - Leadership Development
  - Learning & Development
  - Talent Acquisition
  - Talent Management

- **Offerings**
  - **WhatWorks® Membership**: Research, Tools, Education, Consulting
  - **IMPACT**: The industry's premiere conference on the Business of Talent
  - **BersinBasics®**: Fundamentals of Talent Management for Business Professionals at All Levels
The Report

 Developed through a compilation of all Bersin & Associates and external research we conducted throughout 2011
 Designed to help you understand global trends and practices and develop your HR, L&D, and recruiting plans for 2012
 Supported by Bersin & Associates research, tools, professional development, and services
14 Predictions for 2012

1. Global workforce imbalance will drive new focus on global talent acquisition
2. HR and Talent team goes Globally Local (Glocal)
3. Talent Acquisition joins the Talent Management Team
4. Talent Acquisition goes Social, forcing reinvention of Agencies and Job Boards
5. Employee Engagement takes center stage
6. Corporate Training will continue to transform
7. Performance Management will go agile
8. Talent mobility strategies will become mainstream
9. Organizations will accelerate their focus on career development
10. Social rewards, social learning, social performance management, social recruiting, and social career management will transform practices
11. New models, diversity, and “girl power” will drive leadership strategies
12. Talent management software will grow, converge, and be disrupted
13. Big Data: Data Science and Segmentation will differentiate leading organizations
14. High-performing businesses will focus on “reskilling” their HR teams
Today’s Business Environment
What Are Your Organization’s Top Business Challenges for 2012?

- 35% of organizations see the need to accelerate growth and globalize – the highest level in four years…. yet…
- 51% struggle to hire the right talent, despite high unemployment…
The Global Auto Marketplace

Automobile Sales – U.S. vs. China

Million Vehicles Sold

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Sales</th>
<th>China Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>16.2 million</td>
<td>2.0 million</td>
</tr>
<tr>
<td>2002</td>
<td>15.8 million</td>
<td>2.8 million</td>
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<tr>
<td>2003</td>
<td>15.5 million</td>
<td>3.6 million</td>
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<tr>
<td>2004</td>
<td>15.1 million</td>
<td>4.4 million</td>
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<td>2006</td>
<td>14.4 million</td>
<td>6.0 million</td>
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<td>2007</td>
<td>14.1 million</td>
<td>6.8 million</td>
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<td>2008</td>
<td>13.8 million</td>
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<tr>
<td>2009</td>
<td>13.5 million</td>
<td>8.4 million</td>
</tr>
<tr>
<td>2010</td>
<td>13.2 million</td>
<td>9.2 million</td>
</tr>
</tbody>
</table>

2001: U.S. 16.2 million, China 2.0 million
2010: U.S. 13.9 million, China 10.4 million
Ford Figo – Fastest Selling Car in India

- Designed in India for the Indian Market
- Manufactured in Chennai by Indian Staff
- Colors, face, and styling designed for Indian tastes
- Size, Shape, and features designed for lifestyle and roads in India
The Borderless Workplace

**WORKFORCE**
- Connected
- Global
- Multi-Generational
- Mobile
- Transient
- New Models for Career

**WORKPLACE**
- Transparent
- Dynamic
- Performance-driven
- Specialized
- Interconnected
- New Models for HR & L&D

**LIFESTYLE**
- 750 million people on Facebook
- 135 million people on LinkedIn
- 75% of workers are mobile
- BigData is Everywhere

- Employee
- Partner
- Customer
- Peer
- Manager
- Candidate
- Mentor

750 million people on Facebook
135 million people on LinkedIn
75% of workers are mobile
BigData is Everywhere

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Explosion in Mobile Internet Market

Computing Growth Drivers Over Time, 1960 – 2020E

- Mobile Internet
- Desktop Internet
- 10B+ Units
- 1B+ Units / Users
- 100MM+ Units
- Minicomputer
- Mainframe

Increasing Integration

Devices / Users (MM in Log Scale)

- 100,000
- 10,000
- 1000
- 100
- 10
- 1

1960
1970
1980
1990
2000
2010
2020

More than Just Phones

- Smartphone
- Kindle
- Tablet
- MP3
- Cell phone / PDA
- Car Electronics
- GPS, ABS, A/V
- Mobile Video
- Home Entertainment
- Games
- Wireless Home Appliances

Note: PC installed base reached 100MM in 1993, cellphone / Internet users reached 1B in 2002 / 2005 respectively.
Source: ITU, Mark Lipakis, Morgan Stanley Research.
What would You Be Willing to Give Up for a Week to Keep your Mobile Phone?

- Caffeine: 55%
- Exercise: 54%
- Sex: 33%
- Brushing teeth: 22%

- Gaming is now the fastest growing application on mobile devices
Today’s Talent Marketplace

*Out of Balance*

Skills and Experience Shortage

Specialization

Free Agent Economy

Too Many Candidates
The Ill-Prepared US Workforce

- Only 32% of college graduates have “excellent” skills to enter the workforce.
- Only 16% of high school graduates have such skills. Missing are:
  - Professionalism/work ethic
  - Creativity and Innovation
  - Lifelong learning/self-direction
  - Critical thinking/problem solving
- Only 18% of workforce training programs raise skills from “deficient” to “adequate”
Global Talent Deficit

The Cultural Revolution created a “missing generation” of talent between 40-55, so expatriates fill most jobs at the top.

Young workers flooding the marketplace, yet most have inferior preparation, language skills, and technical skills.

China

Regional Leadership

Country Leadership

Middle Management

Entry Level

Surplus

Deficit

Deficit

Deficit

Deficit

Surplus

Global Talent Deficit

75% of technical graduates and 85% of general graduates in India are unemployable by India’s high-growth industries, including IT and call centers.

Bank of America Merrill Lynch

BofA’s retail wealth management arm, Merrill Lynch, plans to hire 2,400 trainees in 2011, a 50 percent increase over last year.

“We are entering the era of unparalleled talent scarcity, which will put a brake on economic growth around the world, and will fundamentally change the way we approach workforce challenges.”

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Free Agent Workforce

- Job tenure for under-35 year olds is **2.5 years**
- The average worker today will have **11 jobs by the age of 45**
- 2/3 of all employers are increasing their percentage of contingent workers
- We estimate that as much as **40% of the US workforce is currently** on a contingent basis
High Performing Organizations Understand This

- **Expertise** drives competitive advantage
- **Specialization** improves quality and reduces cost
- Deep skills developed through “deliberate practice” and reinforcement
- Deep skills come from a range of developmental experiences
- We need career development in all critical job roles

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Increasing Specialization

- **Top Management**
  - Senior Management
  - Middle Management
  - First Line Management
  - Senior Specialists
  - Functional Specialists / Front-Line Employees
  - Back Office, Operational, Contingent Employees

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The Big Idea: The Age of Hyperspecialization

by Thomas Y. Malone, Robert J. Laubacher, and Tammy Johns

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CISCO, GE, Boeing, Intel, Qualcomm, United States, Accenture, Pfizer
Change in Employment Contract

- In 2011 32% of employees are “planning on leaving” their employers, vs. 19% two years ago

- 59% of employees believe their employer is a sound “long term” place to work vs. 65% over last three years

- Only 42% of employees believe that promotions go to the “most qualified” employees

Mercer Whats Working Research, October 2011
The Workforce *is really* Younger....

This generation has a very different view of work and, therefore, of loyalty. They see work as a mutually beneficial exchange with their employer and, when it’s no longer working for them, they plan to move on.

There is no strong sense of allegiance to the organization or expectation of long-term employment. *Their allegiance is primarily to themselves and their careers*, and that has major implications for how employers manage this youngest segment of their workforce.”

Mercer October 2011

“By 2013, 47% of employees will be those born after 1977.

-- US Census Bureau
Rapid Evolution of Talent Management
Agile, Borderless, Global Talent Acquisition
52% of manufacturers are having “significant challenges” finding talented workers. Recruiting “difficulty” has increased every year since 2009.

SHRM LINE Staffing Survey 1/2012, n=500
### Attracting the right candidate in the right place quickly, efficiently, and consistently

### Job Locations

**North America**
- United States
- Canada
- All North America Countries

**Europe, Middle East and Africa**
- United Kingdom
- Germany
- All Europe, Middle East and Africa Countries

**Latin America and Caribbean**
- Mexico
- All Latin America and Caribbean Countries

**Asia Pacific**
- Australia
- India
- All Asia Pacific Countries

### Job Categories

- Client Management & Sales
- Consulting
- Customer Care
- Finance
- Human Resources
- Marketing
- Operations
- Risk Management
- Technologies
- Travel
High Impact Talent Management®
Bersin & Associates Methodology

1. Business Goals and Challenges

2. Talent Gaps, Leadership Gaps Forecasts and Talent Plans


5. Process Redesign, Process Integration, Talent Systems Strategy

Business State Analysis and Strategy Review
Business-Related Talent Challenges
HR Process Design and Integration Points
Systems and Process Implementation
Talent Acquisition is a Core Process

Candidate Experience

- Core Values
- Employment Brand
- Candidate Farming
- Candidate Sourcing
- Candidate Pipeline

Onboarding

Management Feedback

Open Positions

Workforce Plan (s)

Business Plan(s)

Leadership Values

Candidate Referrals

Active Candidates

Passive Candidates

Internal Candidates

Hiring Managers

Business Leaders
Radical Changes in Talent Acquisition

- **PC Tools**
  - Applicant Tracking
  - **Late 1980s**
    - Forms Automation

- **Client/Server**
  - Resume Scan
  - Resume Parse
  - **Early 1990s**
    - Recruiter Productivity
  - Search

- **SaaS, Hosted**
  - Workflow
  - Career Site Integration with TM
  - **Early 2000s**
    - Workflow and Online
  - Video Interviewing & Screening
  - Candidate Relationship Mgt
  - Online Advertising
  - SEO for Talent Acquisition
  - Talent Social Networks
  - Online Assessments
  - Online Reference Check

- **Cloud**
  - Open Sourcing
  - Social Network Mobile
  - **2010+**
    - Leveraging the Cloud
  - Integrated Onboarding
  - Candidate Referral Networks
  - Job Seeker Tools
  - Social Network
  - Mobile
  - Integrated Employee Profile
  - Talent Exchanges
  - Employee Profile
  - Advanced Analytics
  - Internal Sourcing and Farming

- **Electronic Resumes**
- Scanners Parsers
- Classified Advertising
- Referral Networks
- Online Job Boards
New Models for Leadership
Major Managerial Skills Gap

First line management skills rated lower than entry level workers – 16% “dangerously behind”

Current Capabilities by Role, December 2011

Top Missing Skills in Mid-Level Leaders

1. Coaching
2. Performance Appraisal
3. Developing Others
4. Managing Change
5. Communications
6. Business Acumen

© Bersin & Associates, Corporate TalentWatch® Research, Senior HR and Business Executives, 12/2011
21st Century Leadership Development

New Models:

- Creativity, not planning
- Quick decision-making
- Getting closer to customers
- Globalization, diversity
- Continuous change
- Manage unexpectedness
- Agility, not control
Grundfos: Redefine the “Leaders”

• To realize our Innovation Intent (long term vision) and strategies, leaders are needed but they are not the only ones
  • We also look for the best experts in various fields
  • We look for innovators in all areas
• Based on interviews with top managers in the organization, the pools and competences required per pool were confirmed
• Assessment of their profile is done through a single talent centre concept
Lufthansa “Coaching Ourselves”

“It has been said that you should never send a changed person back to an unchanged organisation. In management development programs, we always do.” (Mintzberg, 2010)
Emergence of “Girl Power”

- Between 1970 and 2009 women went from holding 37% of all jobs to nearly 48%. (McKinsey)
- 76% of women now work and 58% of all college degrees go to women.
- Catalyst found that companies with significant female board representation had a 26% great return on capital invested.

Yet the same research also found that only 14% of top executive positions are held by women.
Talent Mobility and Career Management
Creating Talent Mobility

- Back Office, Operational, Contingent Employees
- Functional Specialists / Front-Line Employees
- Senior Specialists
- SMEs (Consultants)
- Middle Management
- Senior Management
- Top Management
- Emerging Leaders

Emerging Leaders

Management Career Path

High Potentials
Implementing Talent Mobility

- Exec Succession
- Developmental Assignment
- Lateral Promotion
- Lateral Assignment
- Upward Promotion
- Stretch Assignment
- SMEs (Consultants)
- Middle Management
- Senior Specialists
- Functional Specialists / Front-Line Employees
- New Management
- Contract Hire
- External Assignment
- New Leader
- New Candidate
- Part Time Loan
- Job Intern
- New Assignment
High-Impact Talent Mobility

Facilitated Talent Mobility – New Market for Integrated Career Development

Enterprise Workforce Planning

Talent Assessment

Talent Outreach & Exploration

Talent Deployment

Talent Onboarding & Development
Managing Talent Mobility

- Succession Management
- Coaching Assessment
- Strategic Competencies
- Organizational Planning / Restructuring
- Career Management
- Performance Management

**ORGANIZATION NEEDS**
- Values
- Strategic Initiatives
- Desired Business Outcomes
- Mission
- Vision
- Open Positions & Opportunities
- Desired Competencies (Knowledge, Behavior, Skills)

**INDIVIDUAL NEEDS / DESIRES**
- Development Needs
- Strengths
- Annual Goals
- Mobility
- Career Aspirations

**Individual Development Plan (IDP)**

**SUCCESSION MANAGEMENT**
- Coaching Assessment
- Strategic Competencies
- Organizational Planning / Restructuring
- Career Management
- Performance Management

**VISION**

**MISSION**

**VALUES**

**STRATEGIC INITIATIVES**

**DESIRED BUSINESS OUTCOMES**

**DESired COMPETENCIES (KNOWLEDGE, BEHAVIOR, SKILLS)**

**OPEN POSITIONS & OPPORTUNITIES**

**DEVELOPMENT NEEDS**

**STRENGTHS**

**ANNUAL GOALS**

**MOBILITY**

**CAREER ASPIRATIONS**
Need for Development Planning

- Organizations with highly effective development planning significantly outperform those without.

<table>
<thead>
<tr>
<th></th>
<th>With</th>
<th>Without</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary Turnover</td>
<td>8%</td>
<td>11%</td>
</tr>
<tr>
<td>Turnover among High-Performers</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Ability to “develop great leaders”</td>
<td>23%</td>
<td>7%</td>
</tr>
<tr>
<td>Ability to “plan for future talent needs”</td>
<td>22%</td>
<td>6%</td>
</tr>
<tr>
<td>Median Revenue per Employee</td>
<td>$169,000</td>
<td>$82,800</td>
</tr>
</tbody>
</table>
Career Development Models

-20%
-15%
-10%
-5%
0%
5%
10%
15%
20%
25%

Relative Business Impact

% Improvement in business impact

Individually
Manager Level
Business Unit Level
Enterprise Level

Functional Career Development Strategy

Business Impact (12 measures)
Engagement and retention

"Manage your Own Career"

An Open, Social Market for Career

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Entire Organization Must Contribute to World-Class Career Management

**Employee**
- Identify Career Goals
- Maintain Profiles
- Demonstrate Values
- Socialize Interests
- Create Internal Network
- Share Expertise

**Manager**
- Define Job Profiles
- Provide Coaching
- Assess Potential
- Identify Development Opportunities
- Provide Candid Feedback
- Share Talent Openly

**HR**
- Provides Tools & Resources
- Develop Career Models
- Facilitate Process
- Offer Career Coaching
- Career Development Training
- Integrate with Talent Mgmt

**Company**
- Infrastructure – Process, Technology, People
- Create Culture of Mobility
- Communicate Expectations
- Create Transparent Marketplace
Social Performance and Rewards
The Agile Organization

Model:

<table>
<thead>
<tr>
<th>Hierarchy:</th>
<th>Agile:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control &amp; Alignment</td>
<td>Speed &amp; Market-Centric</td>
</tr>
</tbody>
</table>

Creates:

<table>
<thead>
<tr>
<th>Continuity</th>
<th>Execution</th>
<th>Change</th>
<th>Adaptability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order</td>
<td>Control</td>
<td>Innovation</td>
<td>Chaos?</td>
</tr>
</tbody>
</table>

HR's Job:

| Implement controls, standards, and systems to **drive alignment & execution** | Implement programs, systems, strategies, which **foster market agility** |
Performance Management is Underperforming

Performance Management’s Effectiveness at Key Activities that Drive Business Results

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM Plays a critical role in executing our business strategy</td>
<td>13%</td>
<td>49%</td>
<td>38%</td>
</tr>
<tr>
<td>PM Helps managers make strategic operational decisions</td>
<td>11%</td>
<td>43%</td>
<td>46%</td>
</tr>
<tr>
<td>PM Helps employees align goals with business strategy</td>
<td>19%</td>
<td>54%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: Bersin & Associates High Impact Talent Management and High Impact Performance Management research, 2011 n=290+
The Evolution of Performance Management

Evolving From

- Top-Down Approach
- Annual Event
- Inconsistent Paper Process
- Forms-Based
- Standalone Process

Evolving To

- Collaborative
- Continuous
- Automated Enterprise-Wide
- People-Centric
- Integrated with Talent Management
Which means… performance feedback must come from everyone

Your employee’s manager

Your employee’s team

Everyone else

Every employee and every team has its own “Social Graph”
Agile Performance Management

- Continuous goal setting
  “OKR – Objectives and Key Results” not cascading goals
- Continuous feedback from all directions including bottom up
- Daily or weekly “scrums” to review job and team performance
- Managers continuously look for ways to remove bottlenecks
- Delegate authority within guidelines
- Make people successful with coaching and work simplification
- Reward people with feedback and purpose
## Social Tools Companies

<table>
<thead>
<tr>
<th>Performance</th>
<th>Rewards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rypple (Salesforce.com)</td>
<td>Achievers (I Love Rewards)</td>
</tr>
<tr>
<td>Cleargears</td>
<td>GloboForce</td>
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<td>Worksimple</td>
<td>BI Incentive</td>
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<td>Teamly</td>
<td>CorporateRewards</td>
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<td>Confluence</td>
<td>Inspirus</td>
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<td>Small-Improvements</td>
<td>LoyalNation</td>
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<td>CultureAmp</td>
<td>OC Tanner</td>
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<td>Saba Impressions</td>
<td>Rideau</td>
</tr>
<tr>
<td>7Geese</td>
<td>TemboSocial</td>
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<tr>
<td>Teamitt</td>
<td>TerryBerry</td>
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</tbody>
</table>
Transformation of Learning & Development
Evolution of Enterprise Learning
Change in Disciplines, Technologies, and Strategies

- Get Materials Online
- Expand, Blend Improve E-Learning
- Solve Talent Problems
- Informal Learning Skills & Specialization

Building Deep and Integrated Alignment with the Business

- Selecting and Implementing E-Learning and the LMS
- Integrating Adapting, and Enriching Blended Learning
- Integrating and Aligning with Talent Management
- Understanding Informal Learning Social Networking Mobile and Globalization

2001 2004 2007 2010
The Continuous Learning Model

Continuous Learning

- Coaching
- Mentoring
- E-learning courses
- Job Aids
- Career Curriculum
- Communities of Practice
- Social Networking
- Mobile Learning

Retention is Lost

Traditional Training

Time

Expert

Novice
A New Learning Framework
Bersin & Associates Enterprise Learning Framework®

Learning Programs

Audiences, Problems, and Environment

Informal

Formally Designed Training

On-Demand

Social

Embedded

Approaches

Organization, Governance, and Management

Learning Architecture

New Disciplines

New Tools and Technology

Learning Culture

20%

80%
But do We Know what Really Matters?

Great Corporate University
Strong CLO and Alignment
Excellent L&D Skills
Use of rich media and social tools
Excellent Training and E-Learning
Innovative program design

Have we created an organization which truly has a culture to learn?

Does leadership reinforce the need to learn?
Is expertise rewarded and valued?
Are decision-making processes clear?
Do people share information openly?
Do people feel empowered to point out errors?
Do we take the time to reflect?
Do people move around and take risks?
Do we listen to customers openly?

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We found...success depends on Culture

High Performing Organizations are 3X more likely to have a strong learning culture

Strength of Learning Culture

Poor
We do not value learning

Fair
A few locations value learning

Good
Learning valued in some locations

Excellent
Learning is highly valued

World Class
Valued at all levels
High-Impact Learning Culture® Model

6 Keys to an Enduring Learning Culture

- Building Trust
- Encouraging Reflection
- Demonstrate Learning’s Value
- Enabling Knowledge Sharing
- Empowering Employees
- Formalizing Learning As Process

Most Difficult Areas to Address

Leadership

Management

Ability to Learn

Motivation to Learn

Acquisition + Application of Knowledge and Skills

40 Practices of a High-Impact Learning Culture®

Business Outcomes

- Learning Agility
- Innovation
- Employee Productivity
- Customer Satisfaction
- Customer Responsiveness
- Customer Input
- Cost Structure
- Time to Market
- Market Share
- Workforce Expertise
Organizations with a Strong Learning Culture **Significantly** Outperform their peers…

- **Innovation**: 46% more likely to be first to market
- **Productivity**: 37% greater employee productivity
- **Time to Market**: 34% better response to customer needs
- **Quality**: 26% greater ability to deliver “quality products”
- **Skills for the Future**: 58% more prepared to meet future demand
- **Profitability**: 17% more likely to be market share leader
Development of a New Formal Learning Architecture

Social and Formal learning work in concert with On-the-job experience to improve the performance of our people.

**Accenture’s Continuous Learning Model**

- **Collaboration (Social Learning)**
  - Context, Conversations, Community

- **Experience**
  - On the job training, coaching experience

- **Formal Learning**
  - Classroom and Virtual Seminar, Self Study Materials

(see required and recommended trainings on the next slides)
Convergence and Disruption of HR and TM Software Markets
HR Evolution: Technologies

**Integrated Talent Management**
- Management Succession
- Leadership & Coaching
- Integrated Processes & Systems
- Talent Management

**Serve the Workforce & Automate**
- Recruiting, L&D, Org Design
- Total Rewards
- Service Center, COE
- HR Business Partner

**Sserve the Workforce & Automate**
- Administration
- Payroll
- Regulation
- Back-Office Function

**Business Driven HR**
- Differentiate & Segment Talent
- Plan for the Future
- Globalize the Workforce & HR
- Integrate with the Business

**Enable Decisions & Management**
- Drive the Business Strategy Plan for the Future

**Progression Over Time**

**Personnel Development**
- Compliance

**Strategic HR**

**Market Growth - Adoption**
HR Evolution: Functions

<table>
<thead>
<tr>
<th>Benefits &amp; Compensation</th>
<th>Hiring Recruiting</th>
<th>E-Learning</th>
<th>Performance Talent</th>
<th>Cloud-Integrated SaaS Solutions Connected to Social Networks PaaS (Salesforce.com)</th>
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<td>SaaS and Hosted Systems</td>
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<td>Back Office on-premise ERP</td>
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MARKET GROWTH - ADOPTION

2000 - PROGRESSION OVER TIME - 2012
3 Trends in Talent Management

Social Everywhere
- Sourcing
- Recruiting
- Performance Mgt
- Learning
- Career
- Recognition

Mobile
- Global time zones
- Increased managerial time
- Results-based work
- Specialization
- Virtual Teams
- Flattened Organization

Big Data
- Embedded analytics
- Predictive analytics
- Segmentation
- Differentiation
- Data Science in HR

Employee

Social or "Big Data"

Analytics

Mobile
Slow Move toward HRMS Integration

All HRMS, ERP Providers

Benefits

Payroll

Comp Engagement

Performance Management Succession

Mobile Access

Social Collaboration

Every TM Provider Today

Workforce Planning

Learning Management

Recruiting Onboarding

Workforce Management

Social Collaboration

Mobile Access

Performance Management Succession

Comp Engagement

Payroll

Benefits

All HRMS, ERP Providers

Every TM Provider Today
Major Acquisitions by Talent Management Providers

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<thead>
<tr>
<th>Acquiring Companies</th>
<th>Companies Acquired</th>
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<td>ADP</td>
<td>VirtualEdge '06</td>
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<td>Kenexa</td>
<td>Workscape '10</td>
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<td>Lawson*</td>
<td>WebHire '05</td>
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<td>Lumessee (StepStone)</td>
<td>Enwisen '10</td>
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<td>Peoplefuent</td>
<td>Approva '11</td>
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<td>SilkRoad technologies</td>
<td>iGrasp '05</td>
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<td>SuccessFactors</td>
<td>ExecuTrack '07</td>
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<td>SumTotal</td>
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<td>Taleo</td>
<td>AIMHire.com '06</td>
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<td>Authoria '09</td>
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<td>PeopleClick '10</td>
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<td>Aquire '11</td>
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<td>OpenHire '04</td>
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<td>VTN '06</td>
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<td>Human AssetTechn '08</td>
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<td>Emportal '09</td>
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<td>YouCalc '10</td>
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<td>Jambok '11</td>
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<td>Plateau '11</td>
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<td>Click2Learn '04</td>
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<td>Pathlore '05</td>
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<td>Softscape '10</td>
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<td>CyberShift '11</td>
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<td>JobFlash '06</td>
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<td>Learn.com '10</td>
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<td>Jobpartners '11</td>
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<td>Cytiva '11</td>
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</tbody>
</table>

SAP
Biggest Drivers of Satisfaction

- Careful development of talent management strategy and needs up front
- Careful selection of “just enough” technology
- Your experience with enterprise rollouts, change management, and communications
- Vendor focus on your customer type and maturity
- Vendor’s ability to deliver “partnership” relationship
- Vendor’s overall focus on customer service and support
- HRMS vendors lowest, mid-market vendors highest
The Need for New Skills in HR
Need to Reskill HR Itself

“Nearly all the 200 CHRO’s cite ‘talent’ as the top priority of their CEO’s agenda for HR.”

“But it’s the **lack of talent in the HR function** that the CHRO’s said is the greatest obstacle to achieving the CEO’s agenda for HR.”
How do Companies Hire People?

2/3 of hiring done without any significant assessment

<table>
<thead>
<tr>
<th>% of Organizations Which Regularly Use Following Assessment Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background checking:</td>
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<tr>
<td>Managerial interviews:</td>
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<tr>
<td>Interview training:</td>
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<tr>
<td>Behavioral assessments:</td>
</tr>
<tr>
<td>Reference calls:</td>
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<tr>
<td>Skills-based assessments:</td>
</tr>
</tbody>
</table>

2/3 use no real assessment process at all … leaving the process to hiring managers or recruiters
The *Surprise Effect of Data*

- What is the most important baseball statistic that drives a winning team?
  - Team batting average?
  - Runs batted in (RBI)?
  - Pitcher’s earn run average (ERA)?

- **On Base Percentage (OBP)**
- **Not a Characteristic of the Player (candidate)**
What factor drives sales revenue in these three organizations?

Friendliness

Tenure

Cognitive Ability
Data Analysis Skills Important to HR

<table>
<thead>
<tr>
<th>Top HR Skills</th>
<th>Capabilities</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Partner relationship management</td>
<td></td>
<td>.52</td>
</tr>
<tr>
<td>Managing and leading people</td>
<td></td>
<td>.51</td>
</tr>
<tr>
<td>Coaching and Mentoring</td>
<td></td>
<td>.49</td>
</tr>
<tr>
<td>Change management and communications</td>
<td></td>
<td>.48</td>
</tr>
<tr>
<td>Analyzing and interpreting data</td>
<td></td>
<td>.47</td>
</tr>
<tr>
<td>Knowledge Sharing and expertise directories</td>
<td></td>
<td>.47</td>
</tr>
<tr>
<td>Managing your Personal Development</td>
<td></td>
<td>.45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Organizational</th>
<th>Managerial Capabilities</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing a high performance culture</td>
<td></td>
<td>.77</td>
</tr>
<tr>
<td>Developing a strong learning culture</td>
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<td>.77</td>
</tr>
<tr>
<td>Developing strong talent segmentation</td>
<td></td>
<td>.74</td>
</tr>
<tr>
<td>Developing high levels of career development and mobility</td>
<td></td>
<td>.73</td>
</tr>
<tr>
<td>Attracting and selecting the right talent</td>
<td></td>
<td>.64</td>
</tr>
<tr>
<td>Measuring business impact of HR</td>
<td></td>
<td>.64</td>
</tr>
<tr>
<td>Developing high levels of engagement</td>
<td></td>
<td>.54</td>
</tr>
<tr>
<td>Giving people honest feedback</td>
<td></td>
<td>.49</td>
</tr>
</tbody>
</table>
HR Organizations are Not Ready

What percentage of HR organizations do you believe feel have strong skills in data analysis and interpretation?

6% Rate themselves “High”

56% - “Poor”
14 Predictions for 2012

1. Global workforce imbalance will drive new focus on global talent acquisition
2. HR and Talent team goes Globally Local (Glocal)
3. Talent Acquisition joins the Talent Management Team
4. Talent Acquisition goes Social, forcing reinvention of Agencies and Job Boards
5. Employee Engagement takes center stage
6. Corporate Training will continue to transform
7. Performance Management will go agile
8. Talent mobility strategies will become mainstream
9. Organizations will accelerate their focus on career development
10. Social rewards, social learning, social performance management, social recruiting, and social career management will transform practices
11. New models, diversity, and “girl power” will drive leadership strategies
12. Talent management software will grow, converge, and be disrupted
13. Big Data: Data Science and Segmentation will differentiate leading organizations
14. High-performing businesses will focus on “reskilling” their HR teams
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