

Talent Management 2011: Perceptions and Realities

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Today's Agenda

- Introduction - 5 minutes
- Feature Presentation and Q&A - 50 minutes
- Wrap Up - 5 minutes



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Today's Moderator



Amy Lewis, Practice Leader
Talent Strategy & Acquisition
Human Capital Institute

www.hci.org

Blog

Send email to amy.lewis@hci.org
to connect on LinkedIn

LinkedIn[®]

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Today's Guests



Scott Nemeth

Director, Human Capital Analytics
Nationwide Insurance
nemeths@nationwide.com



Robert Mattson

Director, Talent Management Marketing
ADP, Inc.
robert.mattson@adp.com



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Your Speakers



Scott Nemeth

Director, Human Capital Analytics
Nationwide Insurance
nemeths@nationwide.com



Robert Mattson

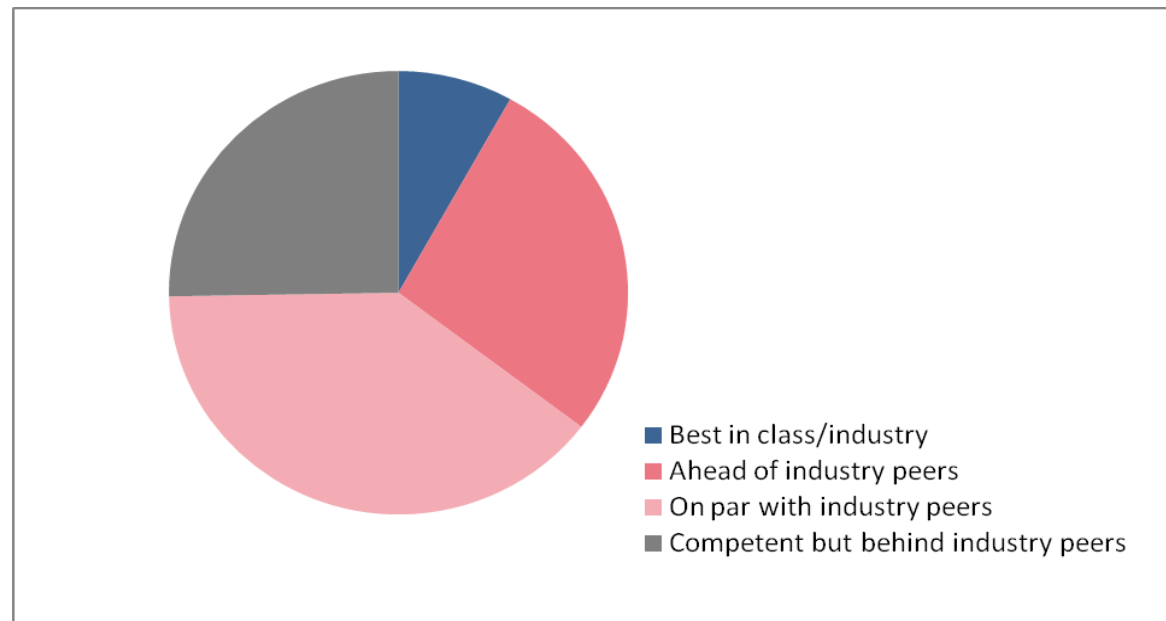
Director, Talent Management Marketing
ADP, Inc.
robert.mattson@adp.com

The Study

- **The ADP Research Institute conducted this Talent Management survey in August 2011 among key HR decision-makers in 602 large U.S. enterprises (enterprises with 500 or more total U.S. employees). Statistically projectable samples of 200 respondents were interviewed in each of three size groups: enterprises with 500-999, 1000-4999, and 5000 or more**

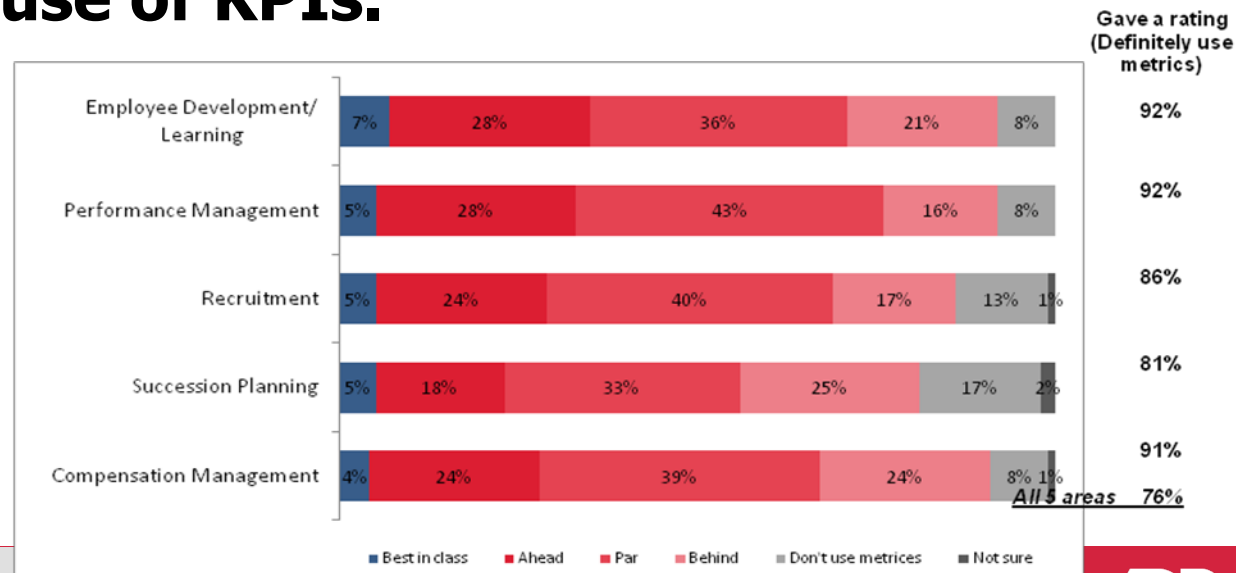
Overall Talent Management Maturity Rating

- **75 percent of respondents rate themselves on par with or above their peers in overall Talent Management maturity**
- **Only 46 percent actually benchmark their Key Performance Indicators (KPIs) against other companies**



Use of Performance Metrics in Talent Management

- No more than a third of HR decision-makers rate their use of KPIs as “best in class” or “ahead of industry peers;”
- Most say they are “on par with” or “behind” other companies in their industry
- Respondents in the largest Enterprises (those with 5000+ employees) are most likely to give high ratings to their use of KPIs.

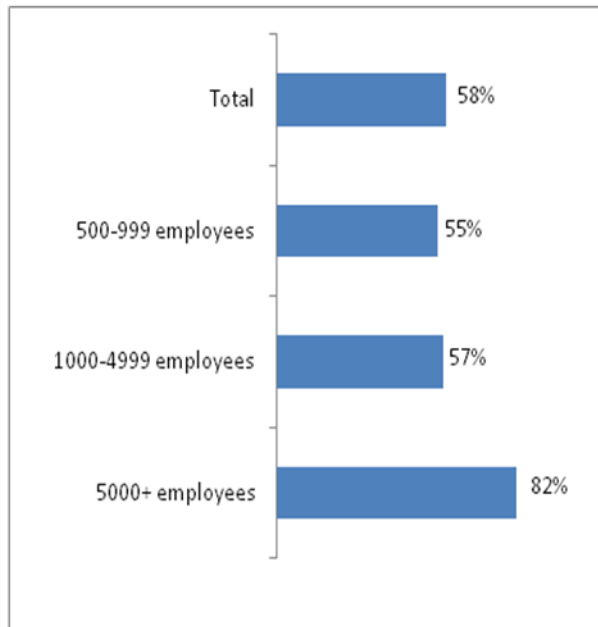


Existence of Formal Talent Management Strategy

- **Just over half (58 percent) of key HR decision-makers in the study universe say they have a formal, strategic Talent Management plan**
- **Only 38 percent of enterprises have strategies that address all five areas of talent management**
- **75 percent of respondents rate themselves on par with or above their peers in overall Talent Management maturity**
 - Then most HR decision-makers in the study must think that Talent Management strategies that do not address all five areas is an acceptable

Talent Management Strategies

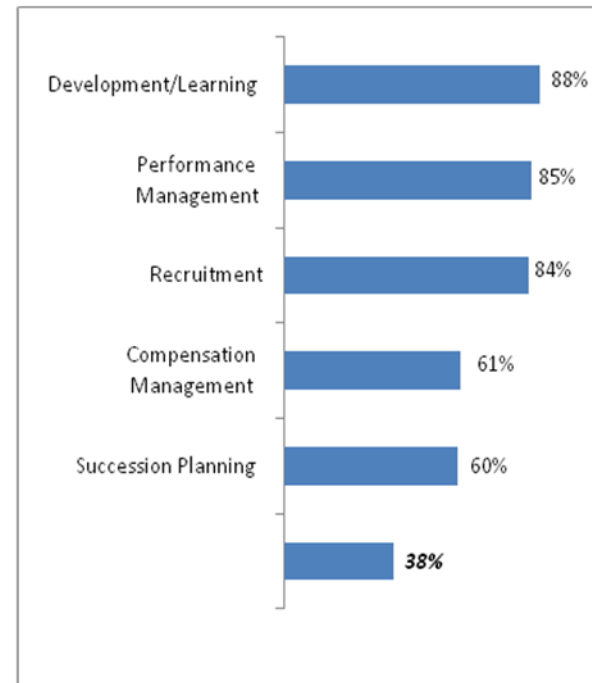
Enterprise Has a Talent Management Strategy



Base: Total (502 respondents)

Q. Does your company/organization have a Talent Management strategy, that is, do you have a formal strategic plan with articulated goals for sourcing, attracting, selecting, training, developing, retaining, promoting and moving employees through your organization?

Areas Included in Talent Management Strategy

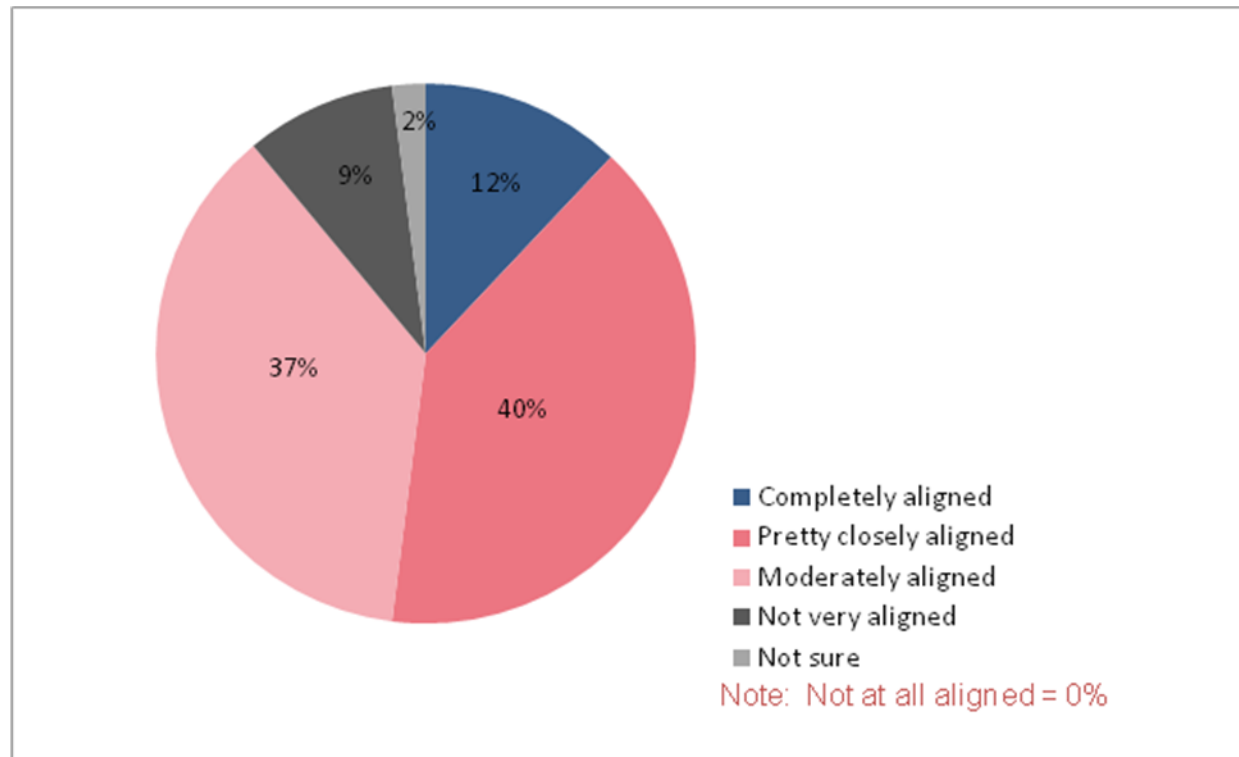


Base: Have a Talent Management strategy (58% - 400 respondents)

Q. Which of the following functional areas are included in your Talent Management strategy?

Alignment between Talent Management Strategic Goals & Company's Overall Business Objectives

- **12 percent of companies claim to have complete alignment between their Talent Management strategic goals and their organization's overall business objectives**

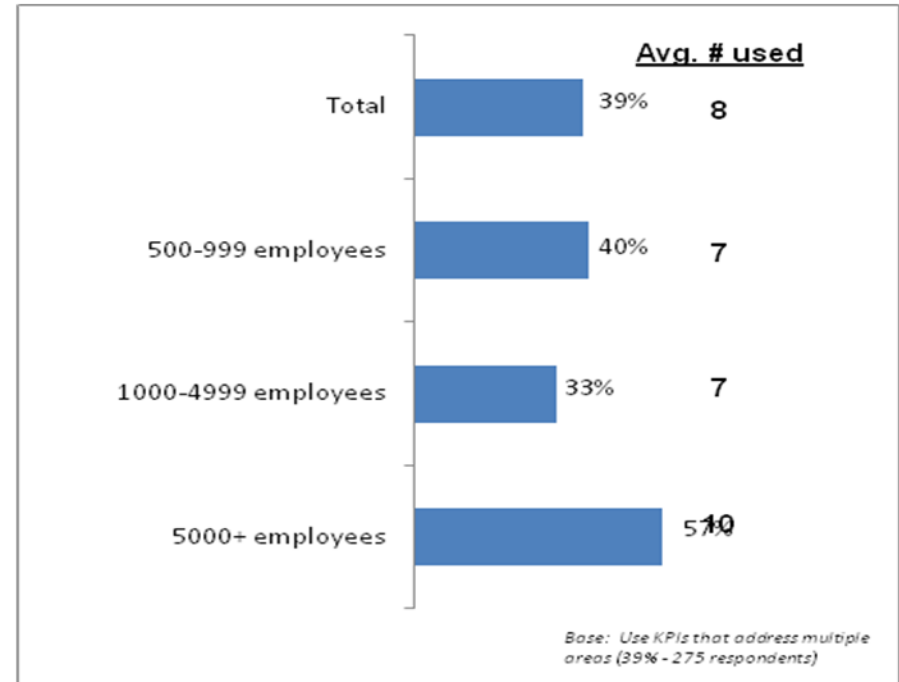


Effectiveness of KPIs in Measuring Progress on Strategic Goals in Talent Management

- **52% of companies surveyed believe that their talent management strategies are pretty closely or completely aligned with their overall all business objectives**
- **32% of respondents state that their KPIs for measuring progress against strategic goals are very/ extremely effective**

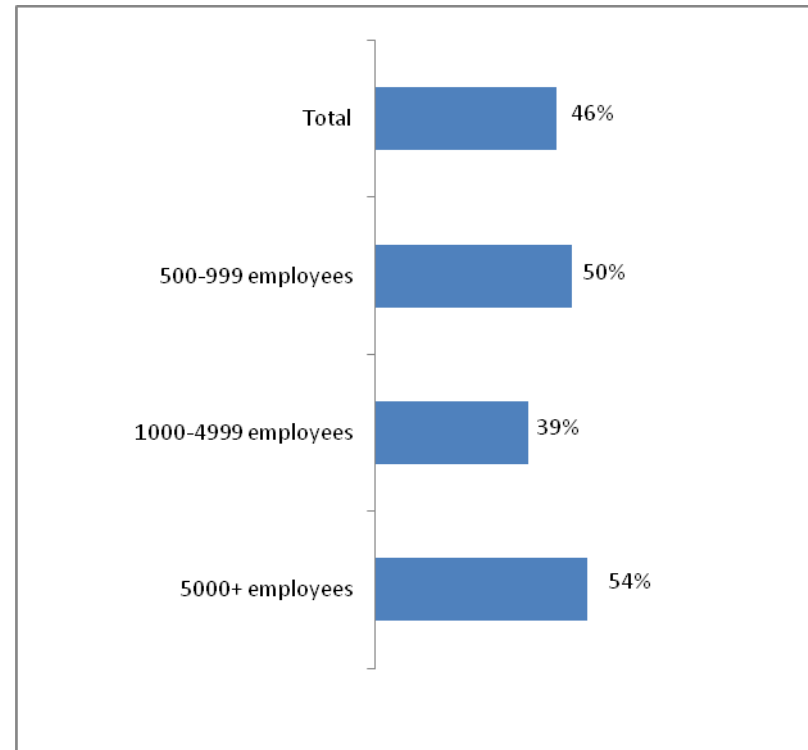
Use of KPIs that Address Multiple Talent Management Areas

- **Four in ten enterprises that currently employ any Talent Management performance metrics utilize KPIs that address more than one Talent area**
- **The largest companies (those with 5000+ employees) are especially likely to use multiple KPIs that span more than one area of Talent Management**



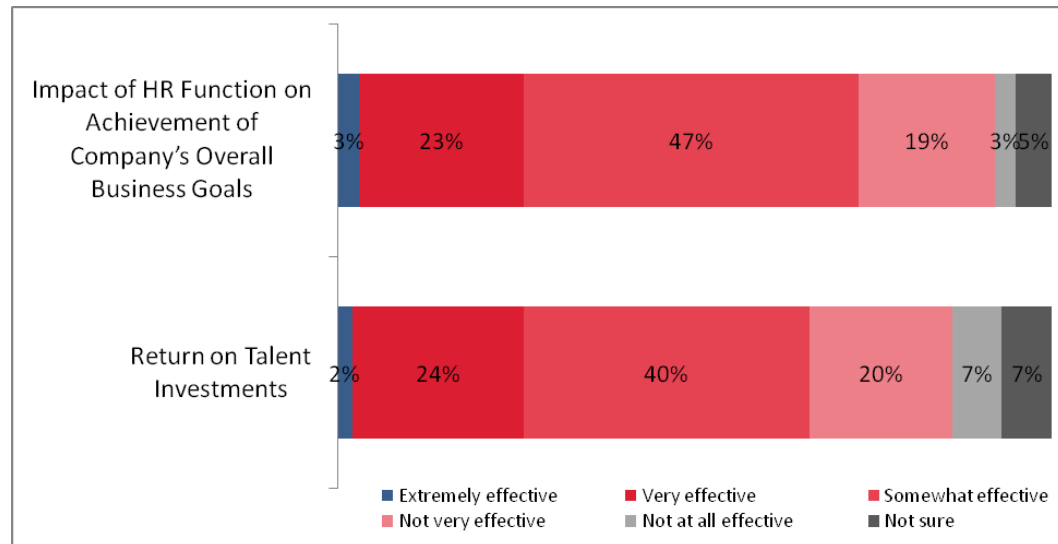
Benchmarking Talent KPIs against Those of Other Enterprises

- **Under half of enterprises that use Talent Management KPIs benchmark those KPIs against those of other companies in their industry, geography, size group**



Measurement Effectiveness of Talent Management KPIs

- **Only a quarter of key HR decision-makers in enterprises that use KPIs for Talent Management believe those metrics are very effective for measuring the:**
 - Impact of the HR function on the achievement of the company's overall business goals; or
 - Return on the company's investments in Talent Management systems, tools, and services.



Identification and Tracking of High Potential Employees

- **Only six out of ten large U.S. enterprises (those with 500+ employees) identify and track high potential employees**
 - 410 enterprises in the survey that identify and track high potential employees
 - Only 213 reward these employees for their contributions

Tracking and Rewarding the Individual Contributions of Different Employee Groups

- **Sixty percent or more of large U.S. enterprises have performance metrics that measure the individual contributions of their senior executives, upper managers, and middle managers toward achieving the organization's overall business goals**
- **Forty-one percent measure the contributions of other employee groups**

	Have KPIs that measure individual contributions to overall business goals	<i>If measure contributions:</i> Reward employees based on contributions
Senior executives	61%	92%
Upper management	70%	86%
Middle management	65%	75%
Other employee groups	41%	62%

Base: Use KPIs (95% - 581 respondents)

Base: Measure individual contributions
(Bases vary for each group)

The Summary

- **48 percent of those in companies with 5,000 or more employees believe that they are either ahead of industry peers or best in class**
- **However, when asked about the Talent Management processes they have in place to support these high opinions, these decision-makers often rate themselves lower**
- **How can key HR decision-makers perceive their Talent Management to be top-notch without believing their supporting strategies and processes to be equally good?**



Questions?



It's your turn! Ask our experts...



Scott Nemeth

Director, Human Capital Analytics
Nationwide Insurance
nemeths@nationwide.com



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