



An Oracle White Paper
February 2012

Oracle Human Capital Management: Leadership that Drives Business Value

The Power to Align Talent to Strategic Initiatives

Introduction

There is a new set of dynamics and complexities influencing how organizations manage their talent. Michelle Newell shares why understanding and influencing talent is critical for the success of any strategic initiative. Organizations today need to

- Review talent in a collaborative, visual, data-driven environment
- Align goals across individuals, groups, and the organization
- Pay for performance to reward top talent
- Leverage social network tools

New Dynamics in HR

Organizations are facing more competitive pressures than ever before, and often struggle to keep up with the changing market. They must get products to market faster, because there is a never-ending stream of new, smarter competition. Companies are facing these challenges by launching new initiatives to keep ahead of the market. Michelle Newell, Oracle's senior director of HCM Product Marketing, notes that this puts pressure on HR, because all these initiatives have to be staffed in a very short timeframe. HR is transforming, and talent management is critical to where HR is going. Newell explains, "HR needs to have the right insight in order to staff new initiatives, review talent, and identify leaders."

Many HR organizations are working to determine what their talent management model should be, how to assess talent, and how to identify emerging leaders. They often don't have a lot of time to find all these answers. HR is trying to become more efficient, and technology is needed to facilitate the transformation. Newell says, "Historically, HR was more a compliance and administrative function. Then the concept of strategic HR emerged, in which the HR department partnered with the line of business manager. Today leadership and talent management are really critical topics in businesses." Modern application tools are crucial, providing answers in real time and helping to manage the whole employee lifecycle. These tools reflect the way that business practices are now integrated with talent management.

An Integrated Talent Approach

As HR organizations learn to adapt to the changing nature of workforce demographics, they are looking at the transformations undergone by other departments. "For example, what happened to purchasing departments and supply change management is the equivalent evolution of what HR is going through with talent management," Newell says. "Supply chain management transformed from a system of simply buying goods to having strategic relationships with suppliers. They began looking at what they buy as part of their whole product strategy. They brought rigor to their processes, which required insight and integration. In many ways, that's what's going on in HR right now with talent management. HR is integrating the various aspects of hiring and developing, recruiting and promoting, and evaluating and rewarding people, so they can make the right decisions. This integrated talent management approach can then be leveraged so individual performance can ultimately be aligned with strategic business initiatives."

Companies that have been working to integrate all the aspects of talent management generally do so to enable HR to better support the business as a whole. The problems the company wants to solve are not solvable when those talent functions are separate. "Companies that are going to acquire another company, launch a new product, expand into a new market, or open a new office are using talent information to enable those strategic initiatives. The integration helps business leaders make decisions more effectively, more quickly, and more efficiently than before," Newell says.

Review Talent and Identify Top Performers

When these functional silos in HR are brought together and companies can look at talent management in an integrated manner, they can then more easily review their talent and identify top performers. Newell says, “About four or five years ago, we talked to the head of HR of a company. That was back when the economy was doing pretty well, and they saw enormous growth potential in their product and services business. The HR team looked at the retirement plans of the engineers, they looked at the tenure, and the skills they had. In other words, they reviewed their talent in an integrated way. And they realized there was an enormous gap. Not only did the current workforce not have the right skills, but many of the skills they had were going to retire over the next 10 years. They forecasted and realized that they could not execute on their business plan due to the lack of the right talent.” They realized they needed to change who they were hiring and developing. “They needed to change how they were doing their performance reviews,” Newell continues. “They needed to change who they were going to promote. They had to move work to different parts of the world or different parts of the country where people had the right skills for the various projects. They also needed to have incentives for people who were retired to work part-time and stay on board. They took immediate action, reviewed their talent needs, and evaluated their employees more thoroughly. They had to find the right skill sets, the top performers, and potential leaders so they could execute on the business plan.”

Technology can make performance reviews easier and more useful, and help organizations find top performers and potential leaders. “Oracle Fusion Talent Review allows you to conduct visual, interactive reviews with managers,” Newell says. “The solution is enriched by both formal and informal data. Embedded analytics help identify top performers who are at risk.” She continues, “Of course, performance management only works if managers actually use it. That's why Oracle Fusion Talent Review ensures broad adoption by providing a rich user experience and processes that can be easily tailored to the unique needs of any business.”

Power to Align Talent

The big issue being faced by most companies today is how HR can enable a company to operate at a high level, incorporating the new ways people work and communicate with each other. “Talent management needs to be aligned within the context of what a company is trying to get accomplished,” Newell says. “The approach successful companies take is to align talent with critical business goals and then implement technology to help achieve those goals.”

Businesses win when employees are in synch. That means aligning individual and team goals with company goals, and enabling clear ways to collaborate. Oracle Fusion Goal Management does just that, more easily and effectively than ever before. Newell says, “And because Oracle Fusion Goal Management is part of Oracle Fusion Talent Management, goals automatically feed into performance and compensation processes. HR can evaluate, develop, and compensate the workforce based on how they are tracking to organizational goals.”

Reward your Talent

Organizations need to reward their talent, and industry trends clearly indicate that pay-for-performance is drawing a renewed focus from executives. Organizations have the opportunity to capitalize on innovative reward strategies that attract and engage top talent. Usually pay-for-performance programs offer employees cash incentives based on how an employee is doing, as determined by his performance review, and based on how well the company is meeting its set goals.

Newell says, “Organizations want to attract, motivate, and retain talent through strategically planning, allocating, and communicating compensation. But right now there is an explosion of interest in social performance management tools and social rewards. Companies may want to look into transforming their current rewards process into one that is administered by the employees themselves. In this model, employees give rewards to each other, as opposed to allocating compensation through manager and supervisors. Oracle Fusion Talent Management allows for social performance tools and rewards in which peers can give kudos to fellow employees.”

Tight integration between compensation and talent management enables organizations to align rewards with performance, ensuring the highest return on human capital. Newell says, “You can create plans, assign compensation, and analyze how you pay for performance—all from one easy-to-use workbench in Oracle Fusion Compensation. An intuitive user experience with embedded analytics helps managers make better decisions, and compensation data is presented in a familiar spreadsheet environment. You get a complete picture of spending with a single, combined budget for both focal and offcycle compensation—so you can consistently enforce compensation policies. And you can increase employee satisfaction with integrated total compensation statements that make visible the total value of rewards, including employer benefits and compensation contributions.”

Top Performers Leverage Social Networking

New ways of social communication have completely transformed the way people work. Facebook users number 750 million, and young people use text messaging and social networking to communicate with each other rather than e-mail. Newell says, “Top performers are leveraging social collaboration tools to extend their network.”

“Social media is really taking off in all kinds of areas,” Newell says, “Oracle Fusion HCM offers robust social capabilities. You can chat with a colleague from within the application to solve a problem and leverage the social network to engage with other people and projects.”

Understanding and influencing talent is critical, and organizations that review their talent, align individual goals to the organization, reward their top talent, and provide social networking tools are more likely to achieve success for any strategic initiative where talent is needed.

About Michelle Newell

Senior Director, Applications Marketing

Michelle Newell brings more than 18 years of marketing and human capital management experience in the technology and publishing industries to her role at Oracle where she leads the Human Capital Management applications marketing team. In that role, Michelle leads all go-to-market strategy for the Oracle Fusion, E-Business Suite and PeopleSoft HCM product lines.

Prior to joining Oracle, Newell launched several top-selling products for PeopleSoft in the Human Capital Management solution set.

Previous to her PeopleSoft tenure, Newell was in charge of marketing member products for [Excite@Home](#), a broadband cable service and portal company. Newell has also launched magazines and websites for Imagine Media, Inc. and IDG.



The Power to Align Talent to Strategic Initiatives
February 2012]

Oracle Corporation
World Headquarters
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Worldwide Inquiries:
Phone: +1.650.506.7000
Fax: +1.650.506.7200

oracle.com



Oracle is committed to developing practices and products that help protect the environment

Copyright © 2012, Oracle and/or its affiliates. All rights reserved. This document is provided for information purposes only and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

Intel and Intel Xeon are trademarks or registered trademarks of Intel Corporation. All SPARC trademarks are used under license and are trademarks or registered trademarks of SPARC International, Inc. AMD, Opteron, the AMD logo, and the AMD Opteron logo are trademarks or registered trademarks of Advanced Micro Devices. UNIX is a registered trademark licensed through X/Open Company, Ltd. 0112

Hardware and Software, Engineered to Work Together