Best Practices in Talent Management

From Best-Practices Performance Management to Next-Practices Talent Management

AUTHORIA

Today, a company's performance depends largely on its talent, and more and more companies are realizing that how they mange that talent is the critical link connecting the two. However, that balancing act can be a challenge and no one understands that better than one of the nation's leaders in diversified health care, dental, pharmacy, group life, disability, and long-term care insurance and employee benefits. Aetna views the strength of their people as their single most important competitive advantage.

Aetna leaders at all levels were being asked to do more strategic thinking and deliver on increasingly ambitious goals…all while harnessing the best work of employees every day. This "best practices" performance-management company is as innovative with their view of talent as they are with their products. Their vision was to build talent that was not only deep but also broad; to position every employee to excel in their present job; and prepare for their next role; and to focus on this development from the beginning of their careers right up through succession planning for Aetna's top jobs.

They were committed to building an organization of high-performers who possess: • the agility to seize new opportunities • flexibility to anticipate and respond to changing customer and business needs • motivation to achieve greater levels of success • breadth of experience needed to maintain that success.

To achieve this goal, Aetna realized they must think differently about how, when and where they tap into the unique talents and experiences of each individual. Sponsored by Aetna's CEO Ronald Williams, Rania Stewart, Project Manager in HR Talent Strategy Services, and her team at Aetna envisioned a Talent Management Initiative (TMI) to offer an innovative, more fully integrated approach to managing employee skills information so that the organization could fully leverage its talent. Their biggest challenge was not to improve the individual HR functions, many of which had been independently judged to be best practice, but to integrate these functions and improve sharing of information across the company. This new approach to talent management represented a significant cultural transformation. Some of Aetna's managers were concerned that making the "talent" within their groups more visible to the rest of the company would lead to loss of key personnel. "The challenge is to have leaders thinking, not about their talent, but about Aetna's talent," said Stewart. "If we do not ensure that our top talent has the ability to grow within the company, we risk losing them to the competition. The challenge is to have a workforce who takes charge of their own careers and leaders who develop and promote their talent—even if that means moving people to other parts of the company—to fill higher level jobs or gain skills required for top jobs in the future."

Solution

Stewart and her team set out to design and implement an enterprise-wide, talent management process which integrated their diverse systems and processes relative to the selection, assessment, development, performance management, recognition, deployment and retention of talent—all supporting Aetna's business strategy and workforce needs.

Aetna needed a system to effectively deploy talent and expand and improve upward and lateral succession management. They were looking for a vendor who had the infrastructure, experience and ability to tie all of the HR functions together.

After looking at a number of vendors, including SuccessFactors, Workscape, and Softscape, Aetna chose the expertise of Authoria and Authoria Performance and Authoria Succession delivered On-Demand. "Authoria's adhoc reporting capabilities were superior to others we saw and they offered an on-demand model that was very appealing to us. Authoria On-Demand goes beyond simple hosting and offers a next generation approach allowing Aetna to take advantage of Authoria's industry-leading best practices to get the most out of the applications," said Stewart.

Results

Aetna uses Authoria Performance as an information gathering tool combining general data from Aetna's existing employee database (e.g., educational background, internal work history, etc.) with new information submitted by Aetna employees to build their own profile. Employees are asked to assess their skills and competencies, as well as career goals and interests. They can use this information to target their development to strengthen performance in their current role and to position themselves for future jobs in which they are interested.

Authoria Performance helps Aetna promote standardized measurements of employees—raising the value of their talent data and delivering more consistent data about their workforce. They have leveraged this valuable data to develop functional pools of internal talent.

When companies approach talent management strategically, as Aetna has, they often see employee retention and customer satisfaction increase, productivity grow, employment costs decline, and companies gain a competitive edge. Over the past several years, Aetna has seen this play out through their best-practice performance management approach. Annual employee surveys, with participation rates at over 90%, show increased employee engagement, pride and job satisfaction. This is expected to increase as Aetna uses the Authoria system to evolve from a culture of performance management to one that actively and holistically manages talent. The initial response to the Authoria system has been greeted with enthusiasm from leaders and employees alike.

"Throughout the implementation of this system, we have continued to be delighted with our choice of Authoria as our partner," says Stewart.

Future steps

Aetna is in the process of rolling out Authoria Succession to improve and expand their leadership development process, so they can identify potential successors, monitor their talent pipeline, and track available candidates. Forward thinking Aetna is quickly moving from best-practices performance management to a next-practices talent management organization!

To learn how other forward thinking companies are driving business results, visit www.authoria.com ■

Talent Management: The Critical Performance/Learning Link

PLATEAU SYSTEMS

With more than 7,918 Americans turning 60 every day, the Baby Boom is fast maturing into the Retirement Boom. Projections of a 10-million worker shortfall and leadership shortage involve not only a shrinking pool of workers, but a growing gap in skills. Clearly, performance management and learning must be part of any successful talent management strategy. By integrating these two components, organizations facing a talent crunch can gain a valuable edge and increase employee retention during a time when recruitment costs are soaring.

The High Cost of Not Integrating

The looming talent crisis is already having an impact on highly skilled industries such as today's utility industry. Competition for skilled workers has companies offering 25% hiring bonuses—a costly recruitment strategy that decreases the bottom-line.

Unfortunately, even a huge investment in recruiting won't defuse the talent crisis. According to an October 2006 survey from The Conference Board, Corporate Voices for Working Families, Partnership for 21st Century Skills, and the Society for Human Resource Management (SHRM), organizations report workers with "deficiencies in professionalism, work ethic and basic work habits" as well as gaps in math, reading, and comprehension skills. Most alarming, the skills gaps exist across the board—from incoming high-school graduates to college hires. Beyond the basics, companies are finding that they must also address job-specific skills, a challenge that has some utilities paying $7,500 in community college tuition for prospective linemen to learn the trade.

In addition, Yankee Group research shows that more than 40% of managers responding to a recent survey report seeing increased turnover. To stay competitive in today's hyper-competitive market, organizations must update and replace the traditional "recruit/train" model with a talent management strategy built on a "retain/cultivate" strategy. Successfully implementing and executing this strategy requires seamless integration between performance and learning management systems.

Idaho Power Company: A Case Study

Idaho Power Company is a hydroelectric utility serving approximately 450,000 customers throughout Southern Idaho and Eastern Oregon. In 2004, Idaho Power deployed Plateau's Learning Management System to track employee training, schedule courses, and launch online learning for 1,900 full-time, part-time and temporary employees. After realizing significant time and cost benefits from automating and tracking critical training and learning, the company looked to expand their talent management strategy by incorporating a performance management solution. Recognizing that over the next 10 years 50% of Idaho Power's employees will become eligible for retirement, program manager James Kelley faces a major talent crisis. Citing the group's strategic vision of integrating key HR functions around competencies, Kelley sought "very tight integration between our performance system and our learning system".

Integrating the Plateau LMS and Performance Management solutions is enabling Idaho Power to create a competency-based system that supports the entire employee lifecycle. Starting with the hiring process, the system will enable Idaho Power to select candidates based on technical and behavioral competencies for particular positions. Employees are then evaluated continually using development plans that enable them to grow and advance. Employees and managers can work together to identify performance gaps to improve and highlight strengths employees can use within the succession planning process.

The ability to measure and track performance over time will allow Idaho Power to maximize employee productivity and motivation. The system's goals alignment capability allows executives to set initiatives for the year and enables individual employees to align their goals with these initiatives. According to Kelley, Plateau's tight integration of learning and performance management "enables the company to create a corporate culture in which everybody understands the role they play within the company and how their day-to-day performance impacts the company's goals as a whole."

In terms of job satisfaction (and ultimately, retention) this new approach is has been well-received by employees. "People are excited about being able to create a road map for their own professional development within the company," said Kelley.

Making Performance Management Actionable

In many companies, performance management has consisted primarily of annual appraisals that provide a reflective snapshot of how an employee has performed over that year, as well as suggestions for what they need to achieve in the next year. Even with clear goals and objectives, employees lack tools to identify—and participate in—activities that help them meet their goals. Integrating performance management with learning helps managers and employees translate appraisal feedback and individual goals into specific recommendations for relevant learning activities and then makes those activities available directly within one integrated system.

As all organizations develop talent management strategies, tight integration between performance management and learning can make all the difference. Integrated learning and performance management solutions, can transform performance management into an active process that identifies and delivers dynamic opportunities for personal career development. Not only does it address skills gaps and retention issues, it helps align individual goals with strategic organizational goals so that talent management can be used to "un-level" the playing field against increasingly tough competition. ■

How to Align Employee Performance with Business Strategy

JIM MCCOY, SENIOR VP | CONSULTING SERVICES, VERITUDE

Today more than ever, organizations must differentiate themselves through intangible assets: talent, leadership, culture, and especially corporate strategy. Each year, leadership teams spend weeks and even months fine-tuning their business strategies to secure competitive advantages. At the end of this process, executives understand where their organization is heading, what actions they must execute, and how they will measure success.

However, there is often a disconnect between corporate leaders and employees when it comes time to implement the strategy. Employees frequently don't fully understand what role they play in supporting the strategy. And, since management will use employee performance metrics to define "success," it is vital they use the right metrics.

The good news is: leaders can use the strategic planning process to ensure that organizational strategy and measurement are translated to frontline employees.

For example, if we look at the call center of an organization that competes on service, management probably views the goal of each employee as "providing outstanding service," which clearly links back to the strategy. However, the company may use metrics like "attendance," or "availability to take calls," to evaluate performance. These metrics are valuable, but by themselves they don't link back to the organization's strategy.

As a result, employee incentive programs reward the wrong behavior and organizations don't fully understand which employees are truly successful in helping implement the business strategy.

DEVELOPING A PERFORMANCE MEASUREMENT PLAN

Recognizing high-performing employees requires more than simply looking at the numbers. You must identify metrics that match behavior with business strategy; interpret the meaning of widely different data points; continually reevaluate what success looks like; and communicate this information internally.

1. Identify the measurement criteria that are relevant to corporate strategy—You must ensure that the right performance metrics are used to evaluate business success and match those metrics to employee performance. By doing this, your organization can empower employees to excel in their own roles while positively affecting the organization's ability to execute its strategy.

Often, because employees are close to the customer, they can give useful feedback about what customers really value, help you identify metrics that truly evaluate performance, and tell you where there is disconnect between strategy and everyday reality.

By clearly matching business goals with employee behavior, you can clarify how each employee can be successful and then drive desired behavior with effective incentives.

2. Ensure that your measurement system accurately interprets employee performance—Start by finding correlations between performance metrics and the realities of your business. If you determine that customers of your call center prefer that their problems are resolved quickly, then short call time and accurate resolution might be the major criteria for success.

You would want to identify metrics to evaluate employees against that criteria, and invest in resources that help employees resolve issues.

Next, assess the "weight" of different measures to actual outcomes. This is a matter of converting "apples and oranges" to "apples to apples" so you can compare widely different data points. To do this effectively, apply statistical techniques to performance measurement, much the way an actuary assesses risk. You may be able to tap in-house expertise such as an employee compensation group or retail marketing analysis team.

3. Continually reevaluate your performance criteria to meet changing business environments—As your organization's business evolves, your employees must change their understanding of success. For example, if your call center needs to transform into a sales organization, your employees will need the ability to ask for the order and close the business. To help them get there, you must embed their new objectives into your communications, training, and measurement programs, and ensure incentives are effectively motivating your employees to achieve these objectives.

The goal is to make employees feel personally connected to the organization's strategy. An important additional benefit is that management will be able to quickly shift strategy based upon the market information they learn while measuring employee performance.

4. Communicate performance goals and key behaviors throughout the organization—Once the key metrics and incentives are defined, a clear internal communications plan is essential. This plan should be an element of your corporate culture, rather than something reserved for annual reviews.

Bottom line: when employees know what is expected, and have the tools and incentives to accomplish their goals, it's a winning situation for the entire organization.

SUCCESS OVER THE SHORT AND LONG TERM

When you consider the impact of aligning employee performance to corporate goals, the benefits are considerable both in the short and long term.

In the short term, management can better relay to employees how to succeed against specific business goals and employees will better understand how their roles impact the organization's success. In addition, bilateral communication allows for more relevant incentive and training programs and a clear definition of success for all.

In the long run, you can bring tremendous value to your company and demonstrate the value of HR through successful employee performance measurement. ■

A Framework for Talent Management

CONVERGYS

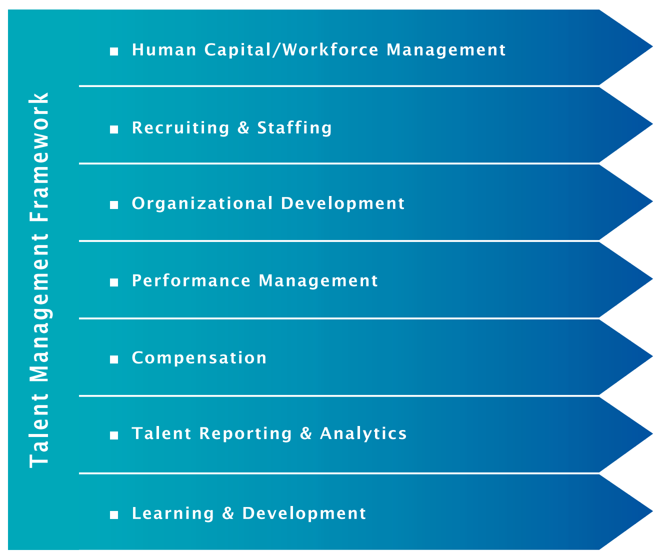
The HR function has constantly evolved since its beginnings in the corporate world, and this evolution has been the most notable since the late seventies and early eighties—during which it underwent a transformation from the functional 'personnel department' to the strategic management of corporate talent. Says Josh Bersin of Bersin & Associates, "It was during this period organizations realized that the VP of HR had a much larger role: Recruiting the right people, training them, helping the business design job roles and organization structures (organization design), develop "total compensation" packages which include benefits, stock options and bonuses, and serve as a central point of communication for employee health and happiness." In its present form, talent management encompasses performance management, succession planning, competency management, systems integration and leadership development.

What is talent management?

Simply put, talent management ensures that the right people, with the right skills, are in the right place, and are engaged and focused on the right activities to achieve targeted business results. It is the complete set of processes an organization employs to identify, acquire, deploy, develop and manage the people it needs to successfully execute its business strategy. This set of processes is the global integration of HR functions, grouped into three primary areas which impact the employee lifecycle:

Attracting talent—This stage of the employee life cycle includes all issues relating to drawing people with the right skill sets to the organization. What kind of human capital should the organization invest in? How should the workforce be organized? How should it plan on recruiting and staffing for the positions that emerge? What kind of talent will impact the development of the organization in a positive manner? What should the master plan for organizational development be? These are just some of the questions to be considered while an organization charts its course to attract and develop its most valuable asset—its workforce.

Alignment and Maintenance—Now that an organization has successfully completed the process of recruiting for and staffing its various positions, what's next? Appropriate skill sets need to be aligned with job functions. The performance of the workforce has to be managed to ensure that the organization is deriving optimal returns on its investment in human capital. Fair compensation policies have to be put in place. Measures for talent reporting and analytics need to be established and linked to compensation and benefit structures.



Develop Talent—The final level in the employee life-cycle that relates to talent management is learning and development. Employees that have been recruited need a clear and visible development path. Organizations need to further invest in their employees and provide learning and development opportunities to keep their skills current and in-line with evolving organizational requirements.

How does Talent Management work for you?

There are three components of a good talent Management Strategy. The first is the assessment, which evaluates the health of an organization's current talent management processes. A well performed assessment would throw light on major system gaps and provide recommendations for filling them. The next is the talent system design and implementation. This can be an in-house venture or consulting services that support process design and governance, resulting in system configuration, implementation and hosting. The last stage is related to talent analytics, where a talent monitoring and decision-making framework is put in place. This can be achieved by a implementing a business intelligence solution that will enable effective talent management.

The Value

There is good reason why talent management has become such a buzzword in corporate circles. It stands to benefit employees, managers and businesses alike. Sound talent management measures ensure that employees, with their unique skills and talents, are matched to the right jobs, and are compensated in a fair and adequate manner. Their development path is clear and there is increased mobility to better opportunities, both internal and external. Talent management provides for better tools and processes that support and enable managers; they know what to expect from their employees, resulting in enhanced working relationships. Consequently, the business sees a high return on its talent management investment, with a clear view of its current talent portfolio, and reaps the benefits of an agile and motivated workforce. ■

Weichert Supports Its 19,000 Associates with eLearning & Classroom Instruction

LEARN.COM

Since 1969, Weichert, Realtors (Weichert) has grown from a single office into one of the U.S.'s largest privately held real-estate companies. Today, Weichert has more than 19,000 sales associates in nearly 500 company owned and franchised sales offices in key markets throughout the U.S. Weichert helps customers buy and sell both residential and commercial real estate, and streamlines the delivery of mortgages, and home and title insurance.

Weichert's business environment presents training challenges similar to those faced by other real-estate companies.

Challenges with a Classroom-Only Approach

For years, Weichert relied on classroom instruction for all of its sales associate training programs. However, the exponential growth in franchised offices, coupled with the increasing geographic dispersion of the sales offices, has made it more challenging to ensure timely, consistent delivery of uniform content.

Getting training out to the field was a cumbersome process that required several manual steps. First, content was developed into PowerPoint presentations and then accompanying training guides were created to assist the instructors. These documents were e-mailed to sales office managers, who were largely responsible for delivering the training content to sales associates. A handful of corporate trainers supported the sales office managers by traveling to the site to conduct training sessions. This process made it difficult to deliver training in a timely manner.

The purpose of the compliance courses is to keep sales associates and sales office managers in tune with real estate and HR laws, so they are prepared to avoid common legal pitfalls. But manual tracking of attendance made it very difficult for headquarters to know exactly who had / had not taken classes.

Learning Management System

The technology infrastructure behind Weichert University is a learning management system (LMS). In 2004, Weichert selected the Learn.com® LearnCenter® platform to provide on-demand training, and centralize tracking and reporting of learning activities. The LMS allows Weichert to create, launch, manage and support blended-learning programs. The LMS also ensures that compliance training requirements are being met.

Weichert incorporates post-assessments in its online programs. Associates will need to show that they have acquired a certain level of knowledge and competence in order to successfully complete the course.

The LearnCenter application is hosted remotely by the vendor. The LMS team evaluated the options of traditional software licensing versus on-demand application models. After an extensive request for proposal (RFP) evaluation process, Learn.com emerged as the logical choice for Weichert, as it best supported the company's IT strategy and met its functionality requirements.

Today, the LearnCenter LMS capabilities most utilized by Weichert are:

- Web-based training;
- Central repository of resources;
- Assessments;
- Management of blended-learning and mixed media; and,
- Course versioning (for compliance courses that must be taken yearly).

The LearnCenter LMS has been embraced as a solution to:

- Accommodate the rapid growth of the organization;
- Overcome the geographic dispersion of sales offices, especially franchised offices;
- Improve the consistency of delivery and course materials;
- Keep its sales force up to date on skills and market knowledge; and,
- Reduce costs by eliminating those involved in other training methods (such as employee travel, shipping materials and so on).

Developing a Blended Approach

Weichert has adopted a blended approach to learning. At the same time, Weichert has also broadened its definition of blended learning to include online resources, such as the "Weichert Toolkit," through which associates can preview frequently asked questions, dialogue clips, best practices and tips on using unique Weichert tools. Depending on what the subject matter is, a sales associate might take an e-learning class, visit the Weichert Toolkit online, attend an instructor-led workshop or participate in any combination thereof.

Weichert University Online

Weichert has a centralized learning and development organization, Weichert University, which delivers training activities to the entire enterprise including the more than19,000 sales representatives.

The main goal of Weichert University is to provide learning services to sales associates in company-owned and franchised sales offices. Weichert's e-learning courses are available 24 hours a day, seven days a week.

Conclusion

As the experience of Weichert University clearly demonstrates, a combination of classroom, e-learning and other online support systems are the most effective. With its approach to blended learning, supported by a robust technology infrastructure, Weichert has learned how to successfully deliver a comprehensive training program to tens of thousands of sales associates spread throughout the nation. Successfully encouraging independent contractors to take up corporate training programs starts at the top—management must lead the way by example. At Weichert, for instance, the company founder believes strongly in training and using technology to improve learning outcomes.

About Learn.com

Learn.com, the world leader in on demand workforce development and productivity, is being used by some of the world's most successful organizations to ensure that their workforce is dramatically more effective, efficient, and organized and we can do the same for your organization. ■

Onboarding Secures Talent for the Long Run

PRO STAFF

In today's employment economy, qualified talent are hard to find. Employers are challenged, not only by the intensity and focus required to attract and recruit top talent into the organization, but the effort it takes to keep new associates engaged for long-term satisfaction and loyalty. Your organization's onboarding process has necessarily become a vital component in long-term growth and success. What are you doing to ensure your new hires stay? Do you place equal emphasis on recruitment, selection and onboarding?

New employees decide whether or not to stay at a company within their first six months of employment. Those who are engaged on the first day of work, according to the *Aberdeen Group's Onboarding Benchmark Report*, have a greater incentive to stay. That said, first impressions are important. Prevent "buyer's remorse" from day one by creating an experience that reassures new hires that they made the best choice.

Onboarding strategies create a positive impression for new employees. According to *Successful Onboarding* by David Lee, onboarding is "the process of integrating new employees into an organization; preparing them to succeed at their job and become fully engaged, productive members of the organization."

Great employers begin the process before new hires arrive on-site. During the final interview or at a time scheduled before the official "start date," introduce team members to new employees. This familiarity will lessen the new hire's anxiety on the first day of work and kick start key working relationships. Complete employment paperwork through mail or e-mail and have all necessary logins and training sessions set up prior to the start date. Employees are usually eager to dive in the first day, so bypassing administrative tasks and focusing on the work to be done will keep enthusiasm high.

Day one—

When day one arrives, be sure to welcome your new employees and communicate the value they bring to your organization and role they can play in the success of their department. Consider a new-hire reception with department and executive leadership, a lunch outing, and/or a welcome gift. Along with the fun, engage employees with meaningful work and important projects from the start.

Beyond the first day—

Great workplaces retain managers with outstanding leadership qualities. These front-line leaders ensure new employees have the tools to perform successfully in their role. Go beyond a routine follow-up from Human Resources and schedule weekly one-on-one meetings to address questions such as: "Is this job what you expected?," "What do you need from me to succeed in your role?," and "What challenges or obstacles are getting in the way?" This is also the time to ask the new employee to share ideas on ways to improve current practices. Keep communication lines open between appointments so employees feel comfortable approaching supervisors and company leadership. Continue regular one-on-one discussions as long as an employee remains in that position.

Positive working relationships create a sense of community within an organization. Co-workers, supervisors, mentors and assigned work partners all play a key role in a new hire's success. The mentor or "partner" is responsible for making sure the new hire is acclimated quickly by being designated as the "go-to" person for questions about day-to-day activities, tasks or the company in general. A mentor provides a safe environment for those answers. Additionally, an immediate feeling of social integration creates a sense of belonging and a work culture that is difficult to leave.

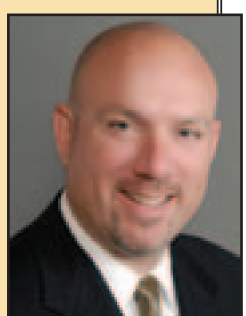
Extend your onboarding process past the first few weeks of employment by looking at strategies that continue to foster growth and development. Integrate your mentoring program into your professional development strategy by converting employees who have been mentored as new employees into mentors for new hires. By bringing the program full circle in the first 8 -12 months, employees continue to stay engaged in their work and feel their contribution is meaningful to the department and the organization.

If working with a contingent workforce or in an environment where managers supervise large numbers of talent, the additional time required to successfully extend or implement an onboarding strategy may seem overwhelming. The rewards and benefits to your employees will outweigh the cost of implementation. First, employees that are successfully oriented to your organization's culture and the work that will be done are productive sooner than those who struggle to acclimate. Second, lower turnover equals cost savings by reducing replacement hiring and recruitment advertising need. Ask your staffing service to implement a program to onboard your contingent staff and search for a reputable talent management service to manage the onboarding strategy of your internal employees. These partnerships work in conjunction with your Human Resources function, and when carefully planned, can positively impact your bottom line.

With an extensive job market and reduced unemployment, applicants have choices; your employees have choices. The steps you take now to successfully integrate your new hires into your culture and provide them a fast track to meaningful, productive work will not only help you retain your best people – it will help position your organization for long-term growth. ■

President

Stephen Morel is president and chief operating officer of Pro Staff, a 25-year old professional staffing company where Morel employs a passion to create an environment where associates thrive, love what they do and are highly productive. Morel has been recognized in *Who's Who in Executives and Professionals*. The Long Island native and Syracuse University graduate now lives in Houston, Texas. When not traveling the country growing Pro Staff and its subsidiary services, Morel is found on the golf course, at church, spending time with his daughters, or volunteering at Texas Children's Hospital and the MD Anderson Cancer Center.



Managing the Challenges of Global Compensation: Four Best Practices

WORKSCAPE

Designing, planning, and managing compensation on a global basis is highly challenging as companies scale and expand to new markets – and even more so when trying to achieve consistent compensation processes in multiple countries. For example, organizations wrestling with global compensation plans need to manage intricate data privacy regulations and differing cultures, currencies, and languages. They need to stay on top of differences in regional regulations and competitive rates by geography, including in some emerging markets where market data is scarce and unreliable.

Global organizations that take a centralized approach to compensation can universally realize the benefits of standardization across their entire operation, such as

- ensuring budgetary compliance
- increasing visibility into the compensation review processes
- enforcing policy consistently throughout the organization
- shortening the compensation cycle by automating workflow
- reducing IT expenses by streamlining systems
- demonstrating compliance through audit trails

The key to attaining these benefits as compensation is centralized across geographies is being aware of and prepared for regional variations and requirements of all types. Here are four best practices to assist organizations in addressing regional regulations and practices.

1. Select a centralized system for compensation management designed for global companies.

—Compensation solutions designed for global roll-out enable the creation of a compensation structure that provides consistent guidelines while maintaining the flexibility to accommodate regional differences. For example, the ratio of base salary to bonus varies significantly by region. And some countries treat specific allowances, such as car allowances, as part of base salary and require that this allowance be considered when determining bonuses. A global compensation system should also enable finely-tuned access control to prevent violations of data privacy law (more on this below).

2. Use sampling to help fill in scarce or unreliable compensation market data.

—Many of the most attractive labor markets today are ones where available market data is spotty or unreliable. In these cases, consider funding an exclusive research study (or jointly funding with suppliers or business partners in the region) to determine rates for a select group of positions. By choosing the positions wisely, you can confidently apply their inflation factors to related positions.

3. Find a data privacy strategy that best meets organizational needs.

—Companies operating in the US experience a shock when they expand globally, especially when in countries with conservative data privacy laws. While a great deal is written in the press about data privacy laws related to credit theft, the reality is that the US has a relatively relaxed data privacy code. This is ironic considering that the Fair Information Practice Principles developed in the US in 1973 contain many principals enacted into law in 1995 by the EU.

The EU's Data Protection Directive sets restrictions on how elements of personal information can be collected, stored and shared. It is illegal to share personal information, including compensation data, between countries if proper procedures have not been followed. For instance, data can be shared freely between countries that maintain compatible data privacy policies. In addition to the EU, this exclusive club includes Switzerland, Canada, Argentina, Guernsey, and the Isle of Man. If data belonging to an employee from within these countries is shared with managers located in other countries, the parent company must either secure permission from each individual employee—following very specific procedures, or secure organization-wide permission by pursuing one of several options that require implementation of procedures that, in effect, bring the organization's data privacy policies up to the standard required by the EU.

4. Accommodate local currencies, languages, calendars, and cultures.

—A key factor in keeping top talent in multiple geographies is showing value and respect for local cultures. This can range from making sure employees are addressed by their proper honorifics in the proper sequence, to allowing them to work in their local language and currencies. Making an investment in a system that offers the flexibility to account for these variations demonstrates a degree of sensitivity to the needs of global employees that underscores the corporation's interest in retaining and promoting employees around the globe.

Achieving Success in the Global Economy

The challenge of managing compensation for one organization in multiple geographies dwarfs the challenge of managing multiple organizations in a single geography. However, understanding the potential challenges empowers organizations to implement processes and select a global compensation solution that can assist in addressing business, cultural, and legal requirements. ■

For more information, contact Workscape at 1-877-975-7227 or visit www.workscape.com

For more information on the companies that contributed to this white paper, visit their web sites or contact them directly at:

Authoria
300 Fifth Avenue
Waltham, MA 02451
Toll free: 877.6AUTHOR
Phone: 781.530.2000
Fax: 781.530.2001
info@authoria.com
www.authoria.com

Plateau Systems, LTD
671 N. Glebe Road, Suite 700
Arlington, VA 22203-2110
Phone: 703.292.0200
(international)
Fax: 703.292.0299
info@plateau.com
www.plateau.com

PROVIDING THE TALENT THAT DRIVES YOUR BUSINESS SUCCESS

Veritude
155 Seaport Boulevard
Boston, MA 02210
Phone: 617.563.4915
Fax: 617.476.4264
www.veritude.com

Outthinking Outdoing

Convergys Corporation
Corporate Headquarters
201 East Fourth Street
Cincinnati, OH 45202
Phone: 800.344.3000
www.convergys.com

The leader in on-demand workforce productivity.

Learn.com
14000 N.W. 4th Street
Sunrise, FL 33325
Phone: 954.233.4000
Fax: 954.233.4001
www.learn.com

Talent Management Services

Pro Staff / Talent That Works
5215 N. O'Connor Blvd., Suite 925
Irving, TX 75039
Phone: 972.444.2486
Fax: 972.444.2490
www.prostaff.com

Workscape
123 Felton Street
Marlborough, MA 01752
Phone: 508.573.9093
Fax: 508.573.9500
www.workscape.com

For information on participating in upcoming Best Practice White Papers, contact:

Jason Asch, National Sales Manager -- 212-210-0112 -- jasch@workforce.com

Irvine Headquarters
4 Executive Circle, Suite 185
Irvine, CA 92614-6791
949.255.5340
www.workforce.com